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ENVIRONMENTAL ASSESSMENT BOARD



ONTARIO HYDRO DEMAND/SUPPLY PLAN HEARINGS

VOLUME: 93

DATE: Monday, December 16, 1991

BEFORE:

| | |
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| HON. MR. JUSTICE E. SAUNDERS | Chairman |
| DR. G. CONNELL | Member |
| MS. G. PATTERSON | Member |

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ENVIRONMENTAL ASSESSMENT BOARD
ONTARIO HYDRO DEMAND/SUPPLY PLAN HEARING

IN THE MATTER OF the Environmental Assessment Act,
R.S.O. 1980, c. 140, as amended, and Regulations
thereunder;

AND IN THE MATTER OF an undertaking by Ontario Hydro
consisting of a program in respect of activities
associated with meeting future electricity
requirements in Ontario.

Held on the 5th Floor, 2200
Yonge Street, Toronto, Ontario,
on Monday, the 16th day of December,
1991, commencing at 10:35 a.m.

VOLUME 93

B E F O R E :

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| THE HON. MR. JUSTICE E. SAUNDERS | Chairman |
| DR. G. CONNELL | Member |
| MS. G. PATTERSON | Member |

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A P P E A R A N C E S

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(Cont'd)

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Page No.

Scoping - Panel 7

16420-16444

PANEL NO. 6

JUNE BASU ROY,
KENNETH SNELSON,
ERSKINE LEE FLOOK,
THOMAS EASTON WIGLE,
ALANNA MARY QUINN,
BRIAN JOHN MCCORMICK,
REED CAMERON HARRIS; Resumed.

16445

Cross-Examination by Mr. Starkman

16445

Cross-Examination by Mr. M. Campbell

16502

Cross-Examination by Mr. Taylor

16536

Cross-Examination by Mr. Watson

16567

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| 430 | April 27th, 1989, correspondence from George Tough, the Deputy Minister of Natural Resources, to Robert Franklin; a June 28th, 1989, letter from Mr. Franklin to the Minister of Natural Resources; and a list of sites prepared by Ontario Hydro. | 16456 |
| 367.138 | Interrogatory No. 6.17.14. | 16501 |
| 435 | An occupational health and safety study prepared by Hydro respecting the Little Jackfish site. | 16502 |
| 436 | Document Book from the Moosonee Development Area Board and Chamber of Commerce. | 16533 |
| 367.139 | Interrogatory No. 6.26.183. | 16534 |
| 367.140 | Interrogatory No. 6.33.23. | 16534 |
| 367.141 | Interrogatory No. 6.33.4. | 16534 |
| 367.142 | Interrogatory No. 6.3.118. | 16535 |
| 367.143 | Interrogatory No. 6.33.16. | 16535 |
| 367.144 | Interrogatory No. 6.33.9. | 16535 |
| 367.145 | Interrogatory No. 6.33.58. | 16535 |

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| | 11:05 a.m. ----- | 16437 |
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| Luncheon recess | 12:55 p.m. ----- | 16500 |
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| | 4:40 p.m. ----- | 16576 |
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| Adjourned | 5:04 p.m. ----- | 16596 |

1 ---Upon commencing at 10:35 a.m.

2 THE REGISTRAR: This hearing is now in
3 session, please be seated.

4 THE CHAIRMAN: This is the scoping
5 session for Panel 7. There has been prior to this time
6 a meeting off the record with the parties to discuss
7 the issues of Panel 7. We are now in a position, I
8 gather, to hear if there are any matters that the Panel
9 needs to deal with respect to Panel 7.

10 Mrs. Formusa.

11 MRS. FORMUSA: Thank you, Mr. Chairman.

12 I perhaps would like to make some
13 preliminary remarks on the scoping package in terms of
14 what we tried to do this time. It's a little bit
15 different than in the past, and I thought I might just
16 draw those to your attention.

17 THE CHAIRMAN: I don't remember. Do we
18 put the scoping package on the record or not?

19 I don't think we do.

20 MRS. FORMUSA: I don't think it became an
21 exhibit in past panels, in fact I am almost certain.

22 THE CHAIRMAN: It's a document entitled
23 "Panel 7 Scoping Package" that we all have.

24 MRS. FORMUSA: That's right.

25 In the letter that I sent with it I

1 raised a number of issues.

2 First of all, I did not include a section
3 for matters that would be deferred to later panels. I
4 address that on page 2 of the letter and I felt that it
5 would probably be --

6 THE CHAIRMAN: I don't have a letter.

7 MRS. FORMUSA: It came with the scoping
8 package.

9 THE CHAIRMAN: Perhaps we should have it.

10 MRS. FORMUSA: I think you should.

11 THE CHAIRMAN: Mrs. Formusa?

12 MRS. FORMUSA: Perhaps I will go back to
13 the beginning of the letter. I'm sorry, I thought you
14 had a copy of it.

15 As I said, I approached scoping
16 differently for this panel than I have in the past.
17 Rather than going through the exercise of trying to fit
18 particular statements of concerns into a statement of
19 proposed issues, what I did was I started off with the
20 statement of proposed issues and tried to draft
21 something that captured all the statements of concerns
22 generally.

23 If we can turn to the statement of
24 proposed issues first. There have been a couple of
25 amendments that we would like to draw to your attention

1 that the parties have suggested. They appear on page 2
2 under item No. 4, where the title says "bulk
3 transmission system", we are going to remove the word
4 "bulk", and that way questions with respect to other
5 aspects of the transmission system can be addressed.

6 Again under No. 4 where it says
7 "considerations relating to this issue", we have but
8 the in brackets the words "in addition to those
9 discussed in Section 3."

10 So what that does is it imports the
11 considerations from Section 3 with respect to the
12 characteristics of transmission into Section 4, and
13 then in Section 4 there are four additional points that
14 will be considered as well.

15 The second thing that we did that was
16 slightly different was that rather than again focusing
17 on trying to make fits of particular concerns, is to
18 address general issues that we at Ontario Hydro
19 believed should excluded from consideration in the
20 hearing. At the bottom of the statement of the
21 proposed issues we identified two such issues. The
22 first was with respect to concerns related to
23 environmental impacts of project developments outside
24 of Ontario, and the second was with respect to route
25 and site-specific concerns.

1 We added a little note about legal issues
2 in arguments because there was a sense from some of the
3 statements of concerns that they were verging on legal
4 issues and arguments, and I think it's generally
5 understood that those are not appropriate in
6 cross-examination.

7 With respect to the general statement of
8 exclusions, we have had several discussions over the
9 past week with some of the parties and further
10 discussions with respect to those two matters.

11 If we go back to the letter of December
12 10th, I will deal first with the -- perhaps I should
13 leave the concerns related to environmental impacts.

14 I will deal with that one, I'm sorry.
15 Mr. Poch and I are dividing these two issues.

16 I will deal first with the concerns
17 related to environmental impacts of project
18 developments outside of Ontario.

19 We have agreed with the parties that they
20 can ask questions in cross-examination regarding
21 cumulative effects of the project in Manitoba. We
22 expect given that there are no witnesses on Hydro's
23 Panel 7 with any expertise or knowledge of those
24 effects that --

25 THE CHAIRMAN: You mean cumulative

1 effects which affect Ontario inhabitants?

2 MRS. FORMUSA: Yes, it would be the
3 impacts of Conawapa, the generating station being built
4 in Manitoba, and the effects that might be felt in
5 Hudson Bay and then any such effects that might be
6 cumulative.

7 Questions about impacts of the generating
8 or transmission facilities in Manitoba, again they
9 would ask questions about that of the panel, but given
10 that there are no witnesses on the panel that could
11 address those matters, we don't expect that it would
12 take much time.

13 However, we have agreed that we would
14 work out a mechanism with the parties to bring before
15 you a motion to deal with the legal question of
16 jurisdiction of this panel with respect to both impacts
17 of developments in Manitoba and impacts that those
18 developments might have on Ontario territory, Ontario
19 residents.

20 [10:44 a.m.]

21 This was a matter that was addressed in
22 the funding before Mrs. Munro, and although there was
23 some funding given to Mr. Greenspoon's client, at the
24 time, I believe, she did remark that this was a matter
25 that should be dealt with by the main Board.

1 And as Mr. Greenspoon does have this
2 component of funding in his application, we thought
3 that it would be worthwhile to bring the matter before
4 you with respect to the jurisdiction because it is more
5 pertinent to the scope of the parties' cases rather
6 than the cross-examination of Panel 7.

7 In other words, Panel 7 can proceed
8 without having this issue determined and Ontario Hydro
9 would reserve the right to make submissions on the
10 question of jurisdiction. And, of course, we have
11 taken the position, both at the funding panel and we
12 will before you, that the matters are not within your
13 jurisdiction.

14 But we have agreed not to argue it today.
15 I am simply reserving the right to make those
16 submissions, as are the parties, and we are doing this
17 in the hopes that we can get it on before you early in
18 the new year but not in a way that would delay the
19 start of Panel 7 if that is appropriate.

20 The second exclusion was with respect to
21 route and site-specific concerns for transmission
22 facilities both to incorporate the Manitoba purchase
23 and for radial transmission. And I raised that one,
24 not so much that there were many, many statements of
25 concerns that got into route or site specificity but

1 because I recall at the Panel 6 scoping session that
2 there was a concern from some of the intervenors, in
3 particular, Ms. Mackesy, with respect to the impact of
4 the approvals in Panel 7.

5 I have set out in the letter the
6 approvals requested for the transmission facilities and
7 what I believed to be the implications of such
8 approvals, but Mr. Poch is going to put before you
9 three issues that we, the parties, have discussed
10 around this. Rather than getting into the discussion
11 about what the approvals are and the implications, he
12 is going to put before you those three aspects or
13 considerations because we do believe that we have a
14 matter here that will have an impact on the evidence in
15 chief to be lead by Panel 7 and then, of course,
16 cross-examination.

17 And perhaps I will turn it over to Mr.
18 Poch, although I would like to come back and finish
19 through the letter once we have dealt with that issue.

20 THE CHAIRMAN: Before we do that, Mr.
21 Poch, I would just like to be sure that there is an
22 understanding about the first issue; that is, the
23 jurisdiction of this Board to deal with the
24 environmental affects of activities outside the
25 province as they may or may not impact directly or

1 indirectly in this province.

2 The understanding that I hear is that
3 that is a matter which will be the subject of a motion
4 to be dealt with sometime in the new year and will not
5 affect the evidence in Panel 7 or the cross-examination
6 in Panel 7.

7 If there is anyone that wants to make any
8 comment on that, perhaps this would be the time to do
9 it.

10 Mr. Greenspoon?

11 MR. GREENSPOON: Well, the reason that I
12 will comment is because, as Ms. Formusa said, we got
13 funding; that seems to draw us into the question.

14 And I said at the scoping hearing that
15 there is somewhat of an evidentiary presumption;
16 although, clearly, Ms. Munro has no jurisdiction to
17 tell the panel what is relevant, but I would submit
18 that it is of some presumptive value.

19 The only comment I would have is that the
20 evidence is regular and relevant and if Hydro feels it
21 should be excluded, then I think the onus is on them to
22 bring such a motion and certainly, that may only be a
23 technicality.

24 THE CHAIRMAN: Anyone else?

25 Well, I think what Mrs. Formusa said was

1 a mechanism would be worked out to bring the motion.
2 Somehow or other the issue will be brought before the
3 Board. Who has the onus will be perhaps a matter for
4 discussion at that time.

5 All right, then, Mr. Poch, on the second
6 issue.

7 MR. D. POCH: Thank you, Mr. Chairman.
8 During the discussions this morning, it became apparent
9 that there were a number of parties that feared the
10 implications of the notice that was given and that
11 that, in turn, had an effect on the evidence that you
12 may need to hear.

13 And we have, in effect, devised sort of
14 three questions that these issues fall within and I
15 think perhaps I will put them in one at a time and
16 comment.

17 The first would be: Are the transmission
18 considerations that Hydro used in developing its plan
19 report adequate under the Act and adequate to support
20 any approvals being sought in this hearing?

21 And on that, everyone agrees, it is
22 appropriate that questions may be posed.

23 We then get into the tougher terrain, the
24 second question being: Is the notice in the form it
25 was given, the form that has been enlarged and is at

1 the side of the hearing room, is that a legal
2 constraint on subsequent approvals?

3 And the particular concern is, if it
4 turns out in a subsequent hearing Hydro wanted to
5 revert to what, I gather, was an earlier consideration,
6 and that is, for example, a line from Conawapa directly
7 down to Sudbury, and does not go through the shaded
8 area that is on the notice map, would they be entitled
9 to seek such an approval at a site-specific hearing?
10 Or alternatively, would the correct view at that time
11 be that they are constrained by the notice to the
12 extent that that approval would have to rely on
13 findings in holdings in this hearing?

14 This may or may not be -- Mrs. Formusa
15 asks, does that turn on the findings and holdings of
16 this hearing or on the notice for this hearing, and we
17 may be into the nuance of the discussion on this point,
18 the concern in a sort of practical sense is, if there
19 is an individual who finds himself in jeopardy in a
20 subsequent hearing, can they say, I have relied on the
21 notice to the DSP case. Hydro is relying on the DSP
22 decision for part of the rationale, for the need for
23 example, for this transmission. I didn't have my day
24 on court on that? Or alternatively, and I assume this
25 is Hydro's position, are these shadings on the map

1 merely illustrative and not binding and not a bar to
2 Hydro in subsequent hearings?

3 Now, plainly, everyone agrees that is a
4 legal matter and it may be appropriate to have resolved
5 by you; although no one is prepared to argue it today,
6 but it may or may not be an academic matter. And that
7 depends, of course, on the question, the third
8 question, that is: If notice is a legal constraint, is
9 it a factual constraint? That is, is there reason to
10 believe that good alternatives are, in fact, outside
11 the shaded areas?

12 If Hydro's witnesses can tell us simply
13 and quickly and clearly that look, there is nothing
14 else there that is in the ballpark, and if we can agree
15 on that, then it matters not whether this is a legal
16 constraint. I am assuming -- well, I won't say any
17 more on that.

18 But it was felt that questions in that
19 third category may or may not take some time and the
20 resolution, or the second question, the legal question
21 would determine whether or not they ought to be put.
22 That is all I had to say, Mr. Chairman.

23 THE CHAIRMAN: I take it your first
24 point; you don't see a problem; is that right? Have I
25 understood it correctly?

1 MR. D. POCH: That is correct, nor does
2 Hydro.

3 THE CHAIRMAN: So it is just really the
4 notice issue which is combined, a factual problem or a
5 legal problem or both?

6 [10:55 a.m.]

7 MR. D. POCH: Yes.

8 THE CHAIRMAN: Right.

9 MRS. FORMOSA: Perhaps I should elaborate
10 on why the issue needs to be discussed in more detail,
11 even though none of us is fully prepared to deal with
12 it today.

13 It impacts on the evidence in chief with
14 respect to Panel 7 because if, in fact, the shaded
15 areas on the map are treated as study areas and are in
16 some way approved by this Board, then we need to lead
17 evidence as to why those study areas are where they
18 are, what the boundaries are, and that's not part of
19 the documentation nor of the evidence that we are
20 prepared to lead at this point.

21 So we don't even get into the issue of
22 cross-examination because obviously I would argue that
23 we need an opportunity to address that evidence if, in
24 fact, the Board felt that the shaded areas on the
25 notice map had more import than simply the giving of

1 notice.

2 See, our position is, Mr. Chairman, that
3 at the project applications, the particular
4 transmission scheme to incorporate the purchase or to
5 incorporate a generating station would be reviewed in
6 that application, and typically when transmission
7 schemes are reviewed, study areas are drawn around
8 those schemes and the boundaries for those study areas
9 have to be justified.

10 Once that is done, then within those
11 study areas, corridors or routes or sites or zones,
12 depending on what you are looking for, are established.
13 And it was certainly not our intent in seeking
14 directions on the notice to treat areas that were not
15 shaded as excluded.

16 I think the words at least address that,
17 and I don't really want to get into any of the argument
18 or submissions here, but I wanted to give you a flavour
19 of what some of the issues are and how that impacts on
20 the evidence in chief of Panel 7.

21 MR. D. POCH: Mr. Chairman, I just rise
22 to say the question is a little broader than that
23 because I think there is a concern that even if Hydro
24 accepts it will be their burden in a subsequent hearing
25 should they get an approval for the need for

1 transmission to go through a narrowing process and then
2 this route and then site kind of analysis which they
3 do, and which we clearly understand they haven't done
4 at that level of detail yet, and even if this Board
5 concludes it need not give any approval of that shaded
6 area and whatever went into it, there is a concern that
7 if that notice acts at a constraint, it is a
8 constraint. We have created this process, Hydro's
9 process, be it their planning or their legal process or
10 whatever combination of those processes led to that
11 map, has constrained, inappropriate perhaps, subsequent
12 hearings.

13 So from a planning process point of view
14 the question arises. And it may be that there's some
15 remedies, I don't know. But it would obviously be in
16 Hydro's interest to make use of as early as possible
17 rather than face a Southwest situation five years from
18 now and have that hearing struck out.

19 THE CHAIRMAN: Do you see a distinction
20 between this issue and the issue that was raised in the
21 Hydraulic Panel that because there were certain -- in
22 the original Hydro documents, certain sites named as
23 such that that then created a notice situation similar
24 to the one we are now talking about.

25 MR. D. POCH: Yes, I think there's quite

1 an analogy there and very little distinction and the
2 position I took at that time was that people who looked
3 at that notice and didn't the falls in their backyard,
4 they may have been wise to stay away and ought to be
5 treated as having been wise to stay away. You know, I
6 took the position that that notice had some import, and
7 that's really the question here and...

8 MRS. FORMOSA: If you don't mind, David,
9 if I can just address that point. I looked quite
10 carefully at the approvals for the transmission
11 facilities and before I spoke with Mrs. Mackesy I
12 thought that it didn't raise the same problem that the
13 hydroelectric approvals did at one time in the sense
14 that hydroelectric approvals named sites.

15 The focus of that discussion was
16 predominantly on the wording of the approvals and not
17 on the shaded areas on the map.

18 I guess we have gone one level further,
19 and I do recall Mrs. Mackesy raising it at the time in
20 terms of the notice map, but I think in fairness I
21 don't think any of us really addressed our minds to the
22 notice map when we looked at hydroelectric Panel 6
23 issues.

24 So we have now moved one step further
25 along in this discussion. I just don't see the

1 approvals themselves generating the issue here so much
2 as the notice and I think that that is where I see the
3 distinction between the discussion we are now having
4 here and the discussion we had on Panel 6.

5 I suppose the bottom line on all of this
6 is that we are seeking your direction, Mr. Chairman, on
7 how best to proceed with this issue, whether we should
8 prepare submissions immediately, a short time prior to
9 Panel 7. As I said, it does cause me concern to begin
10 Panel 7 evidence if we are not proceeding on a common
11 level of understanding about the approvals and the
12 impact of the notice because I can't advise my client
13 with respect to any risks that it might face if there
14 is -- I suppose there will always be a risk, no matter
15 what the panel says, that the matter can be disputed,
16 but at least we have the parties here for the most
17 part.

18 There is always a possibility that those
19 that are outside the shaded areas might take issue with
20 this at some later date, but I think we should look at
21 that. I think it is in all of our interests not to go
22 through what happened in the earlier transmission
23 hearing.

24 THE CHAIRMAN: You, I take it, accept
25 what Mr. Poch says, that this is not an issue that we

1 can argue and resolve today, this is an issue that
2 requires some notice to people who are not here today
3 and some time to give it some thought; would that be
4 right?

5 MRS. FORMOSA: Well, I think it's fair.
6 I'm perhaps - because I've had discussions with Mrs.
7 Mackesy - more prepared than the others, but it is not
8 fair to the others who have not had that opportunity,
9 and they also raised it earlier today in our earlier
10 discussions and are not prepared to proceed and,
11 frankly, I think I would prefer to do a little bit more
12 research on the issue.

13 My main concern of course is that I did
14 not want to delay the start of Panel 7 and there isn't
15 a lot of time remaining prior to that start date. It
16 may be that I could discuss this matter further with my
17 client and see whether we should perhaps begin evidence
18 in chief on Panel 7 and, at the same time, move to
19 bring the matter before you more fully during the
20 course of that evidence.

21 But I have not spoken with my client, nor
22 have I spoken with Mr. Campbell who has been involved
23 with me on the issue of notice. I would like that
24 opportunity. As I said, I don't unnecessarily want to
25 delay the start of Panel 7.

1 THE CHAIRMAN: Let me just try and
2 remember. Panel 7 is scheduled to start on the 7th of
3 January; is that right?

4 MRS. FORMOSA: I believe that's the
5 earliest of which it could start, based on Panel 6's
6 schedule.

7 THE CHAIRMAN: Yes. And I suppose that
8 we could deal with this issue immediately prior to the
9 commencement of Panel 7's evidence on January the 7th,
10 start the New Year off with an issue of this kind.

11 That would then, I wouldn't think - and I
12 guess I shouldn't - well, let me ask you this: If we
13 did that and determined that issue, would there then
14 have to be any delay in the presentation of Panel 7's
15 evidence?

16 MRS. FORMOSA: I suppose that the only
17 delay that I could envisage, from my client's
18 perspective, is that if the Board ruled that, in fact,
19 the notice was a legal de facto constraint and that, in
20 fact, we were establishing the study areas for future
21 facilities, then we would have to discuss whether we
22 were going to proceed to put in evidence to address
23 that issue.

24 Quite frankly, it's not there right now.

25 [11:05 a.m.]

1 THE CHAIRMAN: But if that happened, you
2 could still do that, you would still have the evidence
3 you were going to give anyway that you have to prepare
4 for in any event.

5 MRS. FORMUSA: Yes, we are definitely
6 ready to proceed on the 7th. Perhaps in whatever
7 ruling was made, some accommodation could be made for
8 both Ontario Hydro and the parties to respond to the
9 ruling in whatever way is necessary, i.e., by evidence
10 in chief and by revising cross-examination, then that
11 would probably be a practical way of dealing with it
12 without delaying Panel 7.

13 I think that's something we should bear
14 in mind, you are quite right. We will certainly be
15 prepared to begin Panel 7's evidence in chief, I just
16 don't know whether it would be necessary to amplify it
17 depending upon the ruling.

18 THE CHAIRMAN: Now, does anyone else have
19 any submissions that you want to make on this
20 particular issue at this time?

21 Mrs. Mackesy?

22 MRS. MACKESY: Since my name has been
23 mentioned a couple of times, perhaps I better go over
24 briefly what I was concerned about.

25 My concern goes back to my remarks during

1 Panel 6 scoping session to the effect that I felt that
2 the notice map had made this hearing a project hearing
3 that has unfairly made a few targeted areas sitting
4 ducks for approval at later stages. And arising out of
5 that there was some questions I would like to ask Panel
6 7 and I will go through the types of questions that I
7 had in mind.

8 This is point 8 of my statement of
9 concerns and it appears at the bottom of page 27 in
10 Ontario Hydro's Panel 7 scoping package. There I
11 indicate under transmission environment that I would
12 like to cross-examine the panel on the location and
13 boundaries of the transmission areas on the notice map.

14 I don't at this time want to ask
15 questions about the environment of possible
16 transmission sites within the transmission areas, but
17 there were a couple of aspects I would want to question
18 such as what assessment was done to set the boundaries
19 of the notice map transmission areas, including why
20 some areas were excluded, and including how accurate
21 the boundaries of the transmission areas are, and also
22 the connection between earlier assessments and the
23 assessment done for the DSP at later hearings.

24 I believe those are all my comments,
25 except for the final one, that it's based on my

1 understanding that the planning concepts for selecting
2 project locations will be determined by this Board.

3 Thank you.

4 THE CHAIRMAN: Anybody else?

5 We think, Mrs. Formusa, that the earliest
6 feasible time to deal with this second issue is January
7 the 7th, it can't be done any earlier than that.

8 I think that perhaps there has to be some
9 co-ordination to work out the format, in the form of a
10 motion by somebody, and if something can be done to get
11 that preliminary work done this week so notice could go
12 out to the parties this week, so they would have some
13 prior knowledge of the matter coming up on the 7th.

14 I think this seems to me to be an
15 important issue and I think it is something that all
16 parties ought to know about.

17 MRS. FORMUSA: So can I take it from your
18 remarks then that notice should go to all full-time and
19 part-time parties?

20 THE CHAIRMAN: I think so. I think all
21 parties, full-time and part-time, should know that this
22 is happening on the 7th of January.

23 Is that feasible?

24 MS. MORRISON: I would like to send it to
25 participants as well.

1 THE CHAIRMAN: We should send it to the
2 participants as well, yes.

3 MRS. FORMUSA: I am not sure of the
4 mechanism but we will work something out to get
5 something out the door this week to all of those full,
6 part-time and participants. I am sure it will be in
7 the form of a motion, I am not quite sure how it's best
8 framed.

9 THE CHAIRMAN: I don't want to negotiate
10 the mechanism here in public, but if you want to take a
11 an adjournment and discuss it now and get it arranged,
12 we are prepared to do that.

13 MRS. FORMUSA: I hate to take any more
14 time away from Panel 6 than necessary in light of the
15 remaining schedule for the week. So unless we have a
16 problem working out the mechanism, we will just do it
17 and we will work with Ms. Morrison and Mr. Nunn, if
18 that's reasonable.

19 THE CHAIRMAN: All right.

20 MRS. FORMUSA: One last matter that I
21 started off with originally and those are matters
22 deferred to later panels. You will be familiar with
23 our previous scoping packages where we have had such a
24 category. Instead I have included a paragraph on page
25 2 of my letter of December 10th, second last paragraph,

1 where I set out sort of just general guidelines in
2 terms of where I think the line should be drawn between
3 Panel 7 and -- it's mostly Panels 10 and 11. I said
4 there:

5 As a general rule Panel 7 will deal
6 with the evaluation of the Manitoba
7 purchase as it relates to the rationale
8 for the incorporating transmission, and
9 Panels 10 and 11 would focus on the
10 formulation and selection of
11 demand/supply options and plans and the
12 evaluation and comparison of those plans,
13 recognizing that the Manitoba purchase is
14 a component of each plan.

15 I have had some discussions with the
16 parties about that dividing line and I think we have
17 agreed that we will get into the cross-examination, and
18 where it comes it a point that the witnesses can no
19 longer deal with it, then it will go to Panels 10 and
20 11. But there is a fair amount of expertise on the
21 panel with respect to transmission issues and they will
22 deal with it to the extent that they can. So rather
23 than draw up a hard and fast rule, we have decided to
24 proceed on that basis.

25 THE CHAIRMAN: So far that's worked

1 fairly well with other panels, presumably it will work
2 well with you.

3 MRS. FORMUSA: I am optimistic that it
4 will.

5 I have no further submissions. We have
6 got a little bit of work to do now and we will get to
7 it.

8 THE CHAIRMAN: Is there anyone who wants
9 to say anything about what we have been discussing up
10 to now on the Panel 7 scoping?

11 Are we ready then to go back to Panel 6?

12 Where is Ms. Harvie?

13 MRS. FORMUSA: Ms. Harvie is here, as is
14 Panel 6.

15 THE CHAIRMAN: I see some of Panel 6
16 here.

17 Perhaps we will take a break. Why don't
18 we take the morning break and start at 11:30.

19 MRS. FORMUSA: I will advise Ms. Harvie.

20 THE REGISTRAR: This hearing is recessed
21 until 11:30.

22 ---Recess at 11:15 a.m.

23 ---On resuming at 11:35 a.m.

24 THE REGISTRAR: Please come to order.
25 This hearing is now in session. Please be seated.

1 THE CHAIRMAN: Mr. Starkman?

2 MR. SOLOMON: Mr. Chairman, I would like
3 to make a correction to the transcript from Thursday.

4 Larry Solomon for Energy Probe.

5 THE CHAIRMAN: Yes. Which transcript,
6 please.

7 MR. SOLOMON: Transcript 92.

8 THE CHAIRMAN: Yes, Mr. Solomon.

9 MR. SOLOMON: On page Roman numeral V in
10 the list exhibits, No. 424 should be "Materials on
11 Competing Water Use Interests, Riparian Concerns."

12 And the same correction should be made on
13 page 16240 on line 3.

14 On page 16295, line 17, it should read
15 "approximately 6 million a year."

16 And finally, on page 16313, line 2, it
17 should read "2.64 billion."

18 THE CHAIRMAN: I'm sorry. 313, line 2?

19 MR. SOLOMON: Line 2. It should read
20 "2.64 billion."

21 THE CHAIRMAN: All right. Thank you, Mr.
22 Solomon.

23 MR. SOLOMON: Thank you, Mr. Chairman.

24 THE CHAIRMAN: Mr. Starkman?

25 MR. STARKMAN: Thank you, Mr. Chairman.

1 I don't anticipate being very long. Most
2 of the points that the Coalition of Environmental
3 Groups wish to raise have already been covered.

4 I only have really two areas that I
5 wanted to ask questions about.

6 The first is the risks associated or the
7 risks that the 1,400 to 1,800 megawatts of attainable
8 potential for planning purposes will not achieved. And
9 the second area is the extent to which the Ontario
10 Hydro's hydraulic plan is driven by government
11 direction.

12 JUNE BASU ROY,
13 KENNETH SNELSON,
14 ERSKINE LEE FLOOK,
15 THOMAS EASTON WIGLE,
16 ALANNA MARY QUINN,
17 BRIAN JOHN MCCORMICK,
18 REED CAMERON HARRIS; Resumed.

19 CROSS-EXAMINATION BY MR. STARKMAN:

20 Q. With respect to the first issue, can
21 we look at Exhibit 359, page 25. That's the update and
22 corrections to the information pertinent to Panel 6
23 filed by Ontario Hydro. And I guess perhaps the
24 question would be perhaps directed to you, Mr. Snelson.
25 I am looking at this page, page 25, which is the cost
data and evaluations, and I am looking in the second
column from the right, which is the cost/benefit ratios
that are attached to the various sites. When I look at

1 this I notice that many of these sites which form part
2 of the 1,400 to 1,800 megawatts for planning purposes
3 are very close to one.

4 Am I right that that means that at the
5 present time they are just marginally economic?

6 MR. SNELSON: A. Some of them are quite
7 close to one which does imply marginal economics, yes.

8 Q. What confidence do you have that the
9 cost/benefit ratios for these sites will remain at less
10 than one during the planning period?

11 A. As more detailed information becomes
12 available about both the costs and the benefits, then
13 the cost/benefit ratio can move either up or down. It
14 can move either direction to some degree.

15 Q. Yes. Well, I noticed that these
16 numbers, these cost/benefit ratios that are shown here
17 on page 25 have changed somewhat from what they were in
18 the Demand/Supply Plan. So they have moved. Is that
19 correct?

20 A. Yes.

21 Q. And my question is: What confidence
22 do you have that these cost/benefit ratios will remain
23 at less than one during the planning period?

24 A. We have no measure of probability to
25 put upon that, that I know of. We do believe that the

1 indications that these sites are either about one or
2 somewhat less than one is a reasonable indication that
3 they are about in the economic range. Beyond that,
4 it's very difficult to be definitive.

5 Q. Let me just go at it simplistically.
6 In terms of when I say what confidence, do you have a
7 high level of confidence, some confidence, little
8 confidence, and how would you describe that?
9 [11:42 a.m.]

10 A. The sort of qualitative words around
11 it, I am not quite sure how to define them and that is
12 why I am having difficulty with your question.

13 Over a long period of time, a number of
14 economic evaluations have been done and the sites that
15 appear economic appears to be a fairly consistent set
16 of sites that shows up in evaluations that are done
17 over different periods of time.

18 You do find that some sites move into the
19 economic group and some sites move out, but there is a
20 fairly common basis that that is a continuing set of
21 reasonably economic sites.

22 Q. Just so I am clear, would you say
23 that you have considerable confidence that there will
24 be 1,400 to 1,800 megawatts of obtainable potential; is
25 that the type of answer you are giving? You are saying

1 some sites might move in and out, but you are confident
2 that the number will remain at 1,400 to 1,800?

3 A. I think there are two ways of looking
4 at it: One is that the particular sites that are
5 identified in this table as the sites that are in
6 acquisition phase, the sites that are in definition
7 phase and the sites that are in concept phase, the
8 class that includes Ragged Chute, but excluding the
9 suspended planning sites which are not arithmetically
10 part of the 1,400 to 1,800 megawatts, that among those
11 sites, then I think there is a fairly high degree of
12 confidence that those are either economic sites or
13 sites that are very close to economic.

14 There is another way of expressing it
15 which is, that given that there are sites that are
16 close to economic that may be are not included in that
17 list, then there is an increased degree of confidence
18 that you can find 1,400 to 1,800 megawatt sites, 1,400
19 to 1,800 megawatts of sites either from that list or
20 from sites that are presently excluded from that list
21 to develop within the planning period.

22 Q. Just so I am clear though, that if
23 the cost/benefit ratio was greater than one, as shown
24 on figure 3 or page 25, then Hydro will consider them
25 not to be economic at the present time to be proceeded

1 with?

2 A. If the cost/benefit ratio were
3 greater than one, then the site would be apparently
4 uneconomic. It doesn't mean to say that the decision
5 would be not to proceed with that site. There are
6 other factors that might influence such a decision.

7 Q. So on that point, what you are saying
8 is, even if the cost/benefit ratio was greater than one
9 and it was, therefore, not economic based on Hydro's
10 avoided cost methodology, Hydro might nevertheless
11 proceed because there are other factors?

12 A. That is possible.

13 Q. All right. And what are those other
14 factors that might lead Hydro to proceed with an
15 otherwise uneconomic site?

16 A. It could be environmental
17 considerations. It could be considerations that
18 looking at things over a longer-term perspective
19 than -- because an evaluation that is done today says
20 that the cost/benefit ratio is 1.1, say, then if that
21 is based on an evaluation at the time when avoided cost
22 is thought to be particularly low, then it may be
23 decided to continue with that project because of
24 certain investment that has been made of both time and
25 credibility and people's expectations.

1 For instance, if you end up with a
2 project that is very close to economic and you say,
3 well, today I want to develop it; tomorrow it looks
4 apparently uneconomic and I don't want to develop it;
5 then tomorrow, I say, it comes back to being economic,
6 you get into a flip-flop situation and we would like to
7 try and avoid that sort of situation.

8 Q. I guess one of the other reasons you
9 might proceed is government direction?

10 A. If there was explicit government
11 direction, that could affect it, yes. That would
12 affect it.

13 Q. All right. Let me move on then to
14 ask you to identify some of the risks that the 1,400 to
15 1,800 megawatts will not be achieved. I guess the
16 risks are -- risk meaning, you might achieve less than
17 1,400 to 1,800 megawatts or less than 1,400 megawatts
18 first.

19 I guess the first risk which you
20 mentioned previously is there might not be
21 site-specific approvals for some of the projects?

22 A. That is clearly a risk.

23 Q. All right. Would you put that at the
24 top of the list?

25 A. I have not ranked them, but that must

1 be one of the highest risks.

2 Q. All right. Okay. Let me just run
3 down some of the things that occur to me and then you
4 can either comment on them and add your own if you can
5 think of it.

6 You might get approvals, site-specific
7 approvals, on terms and conditions which Hydro can't
8 live with and, therefore, doesn't proceed with the
9 project?

10 A. That is, in my mind, part of the
11 first category of not getting an acceptable
12 environmental approval at the site-specific stage.

13 Q. All right. You might get
14 site-specific approval for the project but not
15 necessary transmission approvals?

16 A. I think the current proposals would
17 be that the transmission that was expressly and
18 uniquely required by the project would be part of the
19 site-specific environmental assessment in one
20 environmental assessment.

21 Q. All right. Then there's the area we
22 just talked about, which is that the avoided cost
23 calculations might change so as to make the projects
24 uneconomic.

25 A. That is possible, particularly if it

1 was to move in a very large degree, but that, of
2 course, can move in both directions. The avoided cost
3 can move in the direction of making the project more
4 economic.

5 Q. Yes.

6 A. And either is possible.

7 Q. All right. I guess another is that
8 you might build the project but because there is
9 insufficient water, you might not get the energy you
10 planned on.

11 A. We have done some very bad hydrology
12 studies if that were to be the case and I find that to
13 be a rather unlikely circumstance.

14 Q. So you say that is not a risk that
15 this panel needs to be concerned about in terms of the
16 1,400 to 1,800 megawatts?

17 A. I don't believe so. I believe that
18 we do adequate studies or flows and the heads that will
19 be generated, that we have reasonable assurance of
20 getting the power and energy we count on.

21 Q. All right. Now, just on those
22 points, are there any other risks that you can think of
23 that the panel should be aware of when evaluating the
24 1,400 to 1,800 megawatts of attainable potential?

25 A. The risk that you have not mentioned

1 is that the project will cost more than its estimated
2 cost. At very early stages, then that is quite an
3 uncertainty, but I think Mr. Flook has testified that
4 the principal uncertainty in that regard is foundation
5 conditions.

6 So I believe that once that has been
7 determined, then the cost side is reasonably well
8 defined. It has uncertainties associated with it, but
9 I believe it is reasonably well defined.

10 Q. Other than that one, can you think of
11 any others?

12 A. None that come to mind at the moment.

13 Q. All right. Let me just talk to you
14 about the area of government involvement in the 1,400
15 to 1,800 megawatts.

16 I think in your evidence or someone's
17 evidence on the panel, you indicated, well, if some of
18 the sites that made up the 1,400 to 1,800 did not go
19 ahead because they didn't receive site-specific
20 approval or for other reasons, that any shortfall could
21 be made up from looking at -- from either achieving a
22 co-planning agreement with respect to the activity
23 development or might be made up of those 17 sites that
24 are identified in the hydraulic plan as being possible
25 sites; is that correct?

1 A. Yes. It may not be entirely limited
2 to the 17 sites that are in the --

3 Q. 17 or more possible sites.

4 A. Or more.

5 Q. So I guess one risk in terms of this
6 filling process - the process of filling in for sites
7 that may not get approval - is that you might not
8 achieve a co-planning agreement and, therefore, any
9 sites on the activity may not be available; that is a
10 risk?

11 A. Well, as you know, our current
12 position is that the likelihood of getting such a
13 co-planning agreement is not sufficiently well defined
14 that we can depend upon those sites for planning
15 purposes.

16 Q. All right. I guess another risk
17 might be that some of the sites may not be released by
18 the Ministry of Natural Resources and, therefore, you
19 can't fill from the 17 sites identified in Exhibit 28
20 or from other sites because they are not available to
21 Ontario Hydro.

22 A. That is a possibility. I do believe
23 that the circumstances are such that if Ontario Hydro
24 had an expressed desire to develop a hydraulic site now
25 and the site had not been released to a private

1 developer, that I would be quite surprised if the
2 Ministry of Natural Resources didn't give us the rights
3 to develop a site.

4 Q. All right. Can I just look -- maybe
5 Ms. Basu Roy, I have given to the clerk and to the
6 panel copies, I believe, of some of the correspondence
7 you were referring to last day between MNR and Hydro
8 concerning the release of sites. I don't know, does
9 the panel have copies of that?

10 THE REGISTRAR: Yes.

11 THE CHAIRMAN: Is there to be an exhibit?

12 MR. STARKMAN: I would like to have it
13 marked as an exhibit, Mr. Chairman, and there are three
14 different pieces of paper. One is an April 27th, 1989,
15 correspondence from George Tough, the Deputy Minister
16 of Natural Resources, to Robert Franklin; and then
17 there is a June 28th, 1989, letter from Mr. Franklin to
18 the Minister of Natural Resources at that time, if you
19 like, a response to a letter.

20 THE CHAIRMAN: Could those two be made
21 one exhibit; would that be all right?

22 MR. STARKMAN: That is fine, Mr.
23 Chairman, but there is also a list, a list of sites of
24 interest to Ontario Hydro. This document was prepared
25 by Ontario Hydro and it is sites which Hydro believes

1 were referred to in Mr. Franklin's letter, so I would
2 make all three of them sort of collectively an exhibit.

3 THE CHAIRMAN: Let's just make sure one
4 member of the panel at least can confirm that that is
5 the case.

6 MR. STARKMAN: Well, this was prepared, I
7 believe, by Ms. Harvie.

8 MS. HARVIE: Yes. Those sites, I
9 prepared the list of sites, went through my files and
10 tried to assemble it. Mr. Franklin's letter refers to
11 some 30 sites in 1989 and I think this is the 30 sites.

12 THE CHAIRMAN: All right. So then could
13 all three documents then be one exhibit?

14 MR. STARKMAN: That would be fine.

15 THE CHAIRMAN: Number?

16 THE REGISTRAR: That be would be No. 430,
17 Mr. Chairman.

18 THE CHAIRMAN: Thank you.

19 ---EXHIBIT NO. 430: April 27th, 1989, correspondence
20 from George Tough, the Deputy Minister of
21 Natural Resources, to Robert Franklin;
22 a June 28th, 1989, letter from Mr.
Franklin to the Minister of Natural
Resources; and a list of sites prepared
by Ontario Hydro.

23 MR. STARKMAN: Sir, I am wondering if it
24 would be useful if everyone took a moment just to read
25 these letters. They are, more or less,

1 self-explanatory. I do have a few questions that arise
2 from them.

3 [11:55 a.m.]

4 Q. Ms. Basu Roy, I wanted to ask you a
5 question and it is in the context of the risks that the
6 1,400 to 1,800 megawatts will not be achieved in the
7 context of my discussion with Mr. Snelson whether sites
8 would be released by MNR to Hydro in the future.

9 I believe last week you were reading from
10 one of these letters and what I wanted to ask you, just
11 to clarify, was this: Am I right that in the early
12 part of the 80s, and perhaps going back before that,
13 when Hydro was preparing the Demand/Supply Plan it was
14 Hydro's view that they had a first right of refusal on
15 hydraulic sites?

16 MS. BASU ROY: A. That's correct.

17 Q. All right. Now, this April 27th,
18 1989 communication from Mr. Tough, the Deputy Minister
19 of the Ministry of Natural Resources, to Mr. Franklin,
20 I'm looking at last paragraph on the first page -- or
21 the last two paragraphs really, and is it Hydro's
22 understanding of this that what's being said here is
23 that Hydro can go ahead with the developments or have a
24 first right of refusal or have access to the
25 developments in the Moose River Basin, including the

1 Mattagami, Abitibi and Moose Rivers, except for
2 provincial parks, but that the remaining hydroelectric
3 sites will be made available to the private sector for
4 development; in other words, they will not be made
5 available to Ontario Hydro?

6 A. I don't think that this letter
7 specifically excluded Ontario Hydro from development of
8 sites outside the Moose River Basin. I didn't read
9 that from it.

10 Q. Your reading of the last paragraph is
11 that this does not exclude Hydro from access to some
12 sites outside the Moose River Basin?

13 A. That's correct.

14 Q. All right. So then would it be your
15 understanding that Ontario Hydro would be free to, if
16 you like, to respond to the Ministry's call for
17 proposals in much the same way as other parties could?

18 A. That's correct. From this letter,
19 yes.

20 Q. When this type of letter comes to
21 Hydro, would this be the type of letter that would come
22 to your attention?

23 A. I did see a copy of it, yes.

24 Q. All right. And when this letter came
25 to your attention, how did it alter the hydraulic

1 planning at Hydro?

2 A. It didn't specifically alter our
3 planning. I think Ontario Hydro entered into some
4 discussion with MNR subsequent to receipt of this
5 letter and it was my understanding that Ontario Hydro
6 still has first right of refusal for sites greater than
7 20 megawatts as a result of some subsequent
8 discussions.

9 Q. All right. Well, let's come to that.
10 Hydro got this letter. I take it that the June 28th,
11 '89 letter is a response from Mr. Franklin to Mr.
12 Tough's letter?

13 A. In part, as well as some other
14 issues, yes.

15 Q. All right. And would you have been
16 involved in the drafting of this response? Providing
17 information for the drafting of the response, is I
18 guess what I'm interested in.

19 A. The department I work in would have
20 been involved.

21 Q. All right. And let me just ask for
22 some clarification, if you like, of what's being said
23 in Mr. Franklin's response.

24 At the bottom of the first paragraph
25 under Restrictions on Sites Reserved for Ontario Hydro,

1 the last sentence says:

2 This continuous confiscation of sites
3 Reserved for Ontario Hydro has an impact
4 on more than just Hydro itself, which is
5 why I asked you to restore our sites to
6 the 14 agreed to previously.

7 Now, do you know what 14 he's referring
8 to?

9 A. Not specifically, no.

10 Q. Could you provide me with that
11 information?

12 A. I don't know if such a list is
13 readily available.

14 Q. So you don't know what the sites are,
15 the 14 that are being referred to?

16 A. I would assume that it would include
17 the sites in the Moose River Basin as well as other
18 large sites, sites greater than 20 megawatts that Hydro
19 had expressed an interest in that were not in parks and
20 which had not been released already to private
21 developers.

22 Q. But you can't provide me with a copy
23 of what those sites are?

24 A. I don't have specific access to such
25 a list.

1 Q. Does anyone on the panel have access
2 to that list?

3 (No response)

4 All right. Now, in the next paragraph it
5 says:

6 The hydraulic development, be it
7 private or public, plays an important
8 role in Hydro's plans to meet Ontario's
9 future energy needs. However, in just
10 over a year the Ministry of Natural
11 Resources has reduced by close to 80 per
12 cent the hydroelectric development
13 capacity available to Ontario Hydro.

14 And I'm just wondering what that means.

15 A. That would refer to sites within
16 provincial parklands that Ontario Hydro had been
17 considering for development, as well as sites that have
18 been released to private developers for which Hydro had
19 development plans in place.

20 Q. And would that result in an 80 per
21 cent reduction?

22 A. Oh, okay. So it may -- I guess it
23 would also include sites, large sites outside the Moose
24 River Basin to arrive at that 80 per cent.

25 Q. Right. Sites which were reserved for

1 the private sector?

2 A. Not reserved for the private --
3 offered, or offered to be made available to.

4 Q. Sites which were going to be made
5 available to the private sector?

6 A. Well, they were not going to be
7 exclusively made available to the private sector,
8 but...

9 Q. All right. Let's go to the top of
10 page 2. It says:

11 Until April, '88 Ontario Hydro was
12 considering the development of 30
13 hydraulic sites..., and this is, Mr.
14 Chairman, a list that Ms. Harvie provided as to what
15 she believes were the 30 sites that the chairman of
16 Ontario Hydro was referring to in that letter:

17 ...with a total capacity of 2,619
18 megawatts. Your Ministry leased four of
19 these sites to the private sector,
20 reducing Hydro's total development
21 capacity of 2,288 megawatts. A few
22 months later in June, '88 the number of
23 potential sites was further reduced by
24 the announcement of your Ministry's Parks
25 Policy. We lost access to nine more

1 sites, leaving us with a new total of 17.
2 Most recently, by limiting our
3 development to the Moose River Basin, the
4 Ministry has decreased the number of
5 possible sites to eight.

6 Now, you are still saying to me your
7 understanding was that Hydro would have some sort of
8 access to sites outside the Moose River Basin.

9 A. That we still had a right of first
10 refusal.

11 Q. Do you have any idea why the chairman
12 would say "limiting development to the Moose River
13 Basin"?

14 A. Well, that's referring back to the
15 April letter, if that restriction was enforced. But I
16 believe at the beginning, the opening paragraph of this
17 June letter, Mr. Franklin had already indicated that in
18 his discussions with Mr. Kerrio that there had been an
19 agreement by the government to review and cancel that
20 restriction.

21 Q. All right. So let's come to that
22 part. You received a direction, I take it that you
23 received the April 27th, '89, this was a direction from
24 government, and then the chairman writes him back
25 saying: Well, we had lunch -- or a luncheon discussion

1 and you agreed to undertake to review and cancel the
2 April 27th, '89 direction.

3 And then you are telling me, and things
4 developed. So following this, what is the government
5 direction with respect to the release of sites?

6 A. I guess you would have to ask the
7 government that.

8 Q. All right. Do you know what it is?

9 A. I have not seen anything formally in
10 writing since this April letter.

11 Q. All right. So as far as you know,
12 this is what we have got in terms of the government
13 direction concerning this matter, the April 27th, '89
14 letter from Mr. Tough and Ontario Hydro's chairman's
15 reply?

16 A. Yes, in terms of a letter from the
17 government to Ontario Hydro giving us specific
18 direction.

19 Q. Right. All we have, as far as you
20 know, are these two pieces of correspondence?

21 A. Formally, yes, that's correct.

22 Q. All right. And then I asked you what
23 the policy was or the direction of the government was
24 with respect to release of sites, you said: Ask the
25 government; is that right?

1 A. That's correct.

2 Q. Now, Mr. Snelson, can I just come
3 back to the risk criteria, we were talking about
4 release of sites, I don't know if I've made any
5 progress in understanding this but we do have the
6 latest directives from the government.

7 In terms of the risk of the 1,400 to
8 1,800 megawatts, I would have thought that one of the
9 risks is that the government may specifically direct
10 you not to proceed with any particular project or
11 projects.

12 [12:10 p.m.]

13 MR. SNELSON: A. We have had specific
14 direction from the government to proceed with specific
15 projects. I can't recall other than the concerns
16 expressed about the Albany that came up earlier in
17 evidence, I can't recall specific direction from the
18 government not to proceed with a project that was
19 outside of parks.

20 Q. But that is a risk. The government
21 could tell you not to proceed with a specific project.

22 A. Is that risk theoretically, but
23 generally speaking, the government has been encouraging
24 us to develop hydroelectric projects, and, if any, they
25 have been chiding us for not moving ahead far enough

1 and fast enough.

2 So, I am not sure that that's a very
3 large risk at the moment.

4 Q. All right. But it is a risk when you
5 are talking about a 25-year plan, that a government in
6 the future could tell you not to proceed, or
7 conversely, tell you to proceed with more projects than
8 you otherwise have indicated?

9 A. That is a possible factor.

10 Q. Let me just move to the final point
11 that I wanted to talk about which is the extent of
12 government involvement and the risks that are
13 associated with it.

14 Mr. Snelson, in your examination in
15 chief -- do you have Volume 83?

16 I am looking at page 14680. It is a long
17 answer, but the part that I wanted to focus on is the
18 part about the government's interaction with Ontario
19 Hydro and the development of the hydraulic plan. In
20 the second full paragraph on page 14680, and I believe
21 this is you speaking.

22 A. Yes, it is.

23 Q. You say:

24 "With respect to social acceptance,
25 the Select Committee on Energy in its

1 recommendations supported further
2 hydroelectric development. We have had
3 government direction to Ontario Hydro for
4 early filing of hydroelectric
5 environmental assessments."

6 Now, what I wanted to know was, in the
7 early 80s, late 70s/early 80s, was Ontario Hydro
8 pursuing or formulating a hydraulic plan at that time?

9 A. In the...?

10 Q. Late 70s, early 80s.

11 A. Yes.

12 Q. Now you say:

13 "...the Select Committee in its
14 recommendations supported further
15 hydroelectric development."

16 Are we talking here about 1985/1986?

17 A. We are talking specifically about the
18 Select Committee report on the draft Demand/Supply Plan
19 that was issued early in 1989.

20 Q. Do you view reports from the Select
21 Committee as a form of government direction, or does
22 Ontario Hydro view recommendations of the Select
23 Committee as a form of government direction?

24 A. Not specifically.

25 Q. All right. When you say:

1 "We have had government direction to
2 Ontario Hydro for early filing of
3 hydroelectric environmental assessments."
4 What form did that government direction
5 take?

6 A. It was certain statements in the
7 Throne speech in the fall of last year and the
8 supporting documentation that went with it.

9 Q. What does it meant, supporting
10 documentation that went with it?

11 I think what I am trying to get at here
12 is just exploring this question of government
13 direction, I am trying to get an idea as to what forms
14 the government direction takes and what forms it takes
15 for Ontario Hydro to respond to it.

16 You told us that the Select Committee you
17 don't view as government direction, speeches from the
18 Throne you do view as government direction.

19 A. The Select Committee I think only
20 becomes a government direction specifically if the
21 recommendations are adopted by the government. But the
22 Select Committee recommendations may still be an
23 indication to Ontario Hydro of directions that we
24 should move but don't carry the same force as
25 government policy.

1 Q. So you say, we have had government
2 direction for early filing of hydroelectric
3 environmental assessments and you say this was the
4 Throne speech and supporting documentation?

5 A. Yes. There was the Throne speech on
6 November 20th, 1990, and associated with it was a
7 letter from the Minister of Energy also dated November
8 20th, 1990, addressed to "Dear Friend," and was made
9 fairly widely distributed, I believe. And the
10 statement in there is that:

11 Ontario Hydro will give priority to
12 the early environmental assessment of
13 hydroelectric projects at new and
14 existing sites and transmission
15 facilities to bring electricity from
16 Manitoba. Ontario Hydro will work to
17 ensure that the northern and native
18 communities benefit from Hydro's proposed
19 and ongoing activities.

20 Those are two paragraphs that are
21 relevant from that letter.

22 Q. That's not a letter directed to
23 Hydro; that is a letter directed to the public; is that
24 correct, the public at large?

25 A. Attached to that letter are some

1 notes which say background information on Ontario's
2 electricity situation.

3 Q. Mr. Snelson, what I am trying to get
4 at, these are papers that were attached or were
5 available to the public as part of the speech from the
6 Throne, am I right?

7 A. Yes.

8 If I can just read the words, the words
9 are more specific in the background material.

10 The government will help ensure that
11 Ontario's electricity needs are met by
12 requesting Ontario Hydro to give priority
13 to the early environmental assessment of
14 hydroelectric projects at new and
15 existing sites and for the transmission
16 facilities to bring electricity from
17 Manitoba.

18 Q. All right. And did Hydro receive
19 such a request or direction? Other than what you have
20 identified there, did Ontario Hydro receive such a
21 request or direction from the government?

22 A. Yes, we did receive such a request.

23 Q. And has it been filed in this
24 hearing?

25 A. Not to my knowledge.

1 Q. Could you file a copy of that
2 request?

3 A. The particular letter is marked
4 "confidential" and I am concerned as to whether there
5 is anything -- on whether I should give such an
6 undertaking.

7 Q. Who is the author of the letter?

8 A. The author of the letter is Marc
9 Eliesen, Deputy Minister of Energy, and it is addressed
10 to Mr. R.C. Franklin, President and Chief Executive
11 Officer of Ontario Hydro.

12 Q. And what is the date on it?

13 A. November 16th, 1990.

14 Q. That is a letter from Mr. Eliesen as
15 Deputy Minister of Energy to the chair of Ontario Hydro
16 asking Hydro to expedite or early filing of
17 hydroelectric environmental assessments?

18 A. Yes.

19 MR. STARKMAN: Well, I can't see you, Ms.
20 Harvie, I don't know what could be confidential about
21 it, but if Ms. Harvie wanted to check, I am wondering
22 if she could check with, I guess, the chairman of Hydro
23 who is now the author of the letter and see if there is
24 any objection to filing that letter.

25 MS. HARVIE: I don't know, Mr. Chairman,

1 why it is necessary that we file the letter. We have
2 clearly stated that there is government directions
3 received in the letter. It's been on the public record
4 for over a year now. I am not sure why the details of
5 a confidential letter need to be put on the public
6 record, and I don't think under the circumstances it's
7 appropriate since clearly the matter is, as I say, of
8 public record.

9 THE CHAIRMAN: Perhaps you could tell me
10 why you think you need it in addition to the
11 information already been given by Mr. Snelson?

12 MR. STARKMAN: Mr. Chairman, this area of
13 cross-examination, our thesis is that the principal
14 criterion for driving the hydroelectric plan is
15 government direction. And the question really is:
16 What does Hydro treat as government direction? What
17 form did the government direction take, and have they
18 responded to it in light of what it says?

19 THE CHAIRMAN: Well, he said that they
20 received the letter asking them to do these things and
21 they did it.

22 MR. STARKMAN: All right.

23 THE CHAIRMAN: Is it that right, Mr.
24 Snelson?

25 MR. SNELSON: Yes, that's correct.

1 MR. STARKMAN: Q. Mr. Snelson, the
2 letter, is the response to the letter that you really
3 filed hydroelectric environmental assessments; is that
4 correct?

5 MR. SNELSON: A. Yes.

6 Q. Does the letter tell you specifically
7 what sites to early file the environmental assessments
8 for, specifically which sites?

9 A. No, but there was a general
10 understanding as to which sites were involved.

11 THE CHAIRMAN: Perhaps you should clarify
12 for me. At what stage in the process does MNR release
13 sites, sites that are going to be developed by Ontario
14 Hydro?

15 MR. FLOOK: All of the sites that Ontario
16 Hydro has looked at as part of its -- to meet its
17 attainable potential, Ontario Hydro has some control
18 over those sites anyway. They are not a pristine or
19 non-controlled site.

20 If you are going to a new site I would
21 have to assume, as we have not gone through the process
22 yet, that it would be at the start of the definition
23 phase that we would ask for some rights to that site.
24 That if we went through five years, or whatever, of
25 definition phase in the hearings to get approvals, that

1 we would then have some right to that site during that
2 period of time.

3 MR. STARKMAN: Q. Mr. Snelson, with
4 respect to the particular sites, you said there was a
5 sort of a general understanding. What I am concerned
6 about, are you saying that the decision with respect to
7 which sites would have the environmental assessment
8 expedited was made jointly by Hydro and the Ministry of
9 Energy.

10 MR. SNELSON: A. I think the Ministry of
11 Energy was well aware that we were at fairly advanced
12 stages of planning for various sites. I believe at
13 this time that the Little Jackfish environmental
14 assessment already had been submitted and that they
15 were aware that the Mattagami environmental
16 assessments, that's for redevelopments on the Mattagami
17 including Smoky, Little Long, Kipling and Harmon, that
18 that environmental assessment was close, and that the
19 Niagara redevelopment environmental assessment was
20 close. So, it was well understood that those
21 environmental assessments were either filed or the
22 planning was fairly well advanced.

23 Q. Am I correct in assuming that it was
24 a joint decision between the Ministry of Energy and
25 Ontario Hydro with respect to the expediting of the

1 filing of those environmental assessments?

2 A. To our knowledge it was a government
3 decision with their knowledge of the state of planning
4 within Ontario Hydro.

5 Q. But it was a government decision at
6 the bottom line relying Ontario Hydro's information and
7 expertise, but it was their decision.

8 A. The decision to ask us to expedite
9 the filing of these environmental assessments, I
10 believe was their decision.

11 Q. But they didn't ask you to expedite
12 it, they directed to you expedite it, am I correct?

13 A. Yes.

14 Q. And you took the letter from the
15 Deputy Minister of Energy as being direction from
16 government, right? That is a form of direction which
17 Ontario Hydro responds to.

18 A. Yes.

19 Q. So the question ultimately as to why
20 these sites were selected by government to have their
21 environmental assessments expedited is something that
22 we should ask government.

23 A. Specifically as to why they gave that
24 direction, yes.

25 Q. Now, can I just move along to a few

1 other areas in the same vein.

2 [12:27 p.m.]

3 With respect to co-planning - I am
4 talking here about the Abitibi - we have heard a lot of
5 evidence on this. I don't want to rehash the evidence.
6 I just have one question in this same line which is,
7 that there was a decision made that certain of the
8 northern hydraulic developments would go into the
9 co-planning process and a decision that certain others
10 would not.

11 Now, that decision, was that Ontario
12 Hydro's decision or was government's decision?

13 MS. HARVIE: Mr. Chairman, this question
14 has already been asked and dealt with through earlier
15 cross-examination. I recall it in particular because I
16 objected to exactly this question earlier.

17 MR. STARKMAN: Well, I forget what the
18 answer was. Maybe you can just help me.

19 MS. HARVIE: Well, perhaps we can find
20 the transcript reference for you, Mr. Starkman.

21 MR. TAYLOR: Pardon me, Mr. Chairman.
22 This is something that obviously is vitally important
23 to Moosonee, but when Ms. Harvie speaks, I am sorry, I
24 can't hear.

25 MS. HARVIE: I am sorry. Yes, I will use

1 the microphone. I apologize.

2 So we were finding the transcript
3 reference.

4 THE CHAIRMAN: Wouldn't it be simpler if
5 they just answered the question? I think it is a
6 question that they can answer if they can.

7 MS. HARVIE: Well, Mr. Chairman, I
8 objected to the question at the time on the grounds --

9 THE CHAIRMAN: I remember you objected to
10 the question.

11 MS. HARVIE: Yes. I do apologize. I
12 objected to the question on the grounds that it was
13 Ontario Hydro's evidence that the decision had been
14 reached internally and the extent of any government
15 direction in that regard was not part of our evidence.

16 THE CHAIRMAN: But you haven't object to
17 do this line of cross-examination Mr. Starkman is
18 engaged in and it seems to me that this fits into that
19 particular category. If they can answer the question
20 as to how that decision was made or who made it, I
21 think they should do that.

22 MS. HARVIE: All right.

23 MS. QUINN: I believe I can help in this
24 matter.

25 MR. STARKMAN: Thank you.

1 MS. QUINN: I think we said that the
2 decision was made with regard to that potential in the
3 Moose River Basin beyond the Mattagami Complex. So No.
4 1, we don't refer to it as the Abitibi. It can be the
5 Abitibi and the Moose.

6 No. 2, we have also said it was made at a
7 senior level; that it was a managerial decision. And I
8 was asked, I believe, and I can't quote for you the
9 specific line, page and volume, but whether or not
10 there was a discussion between our senior people and
11 the government in advance of taking the decision and I
12 said I did not know.

13 MR. STARKMAN: Q. Yes. I recognize
14 that, but my question is, and let me put it again: Do
15 you know whether the -- from your answer, I imply you
16 are saying that the decision as to which -- when you
17 say the decision was made at a senior level, I recall
18 that evidence. And so, therefore, it implies that the
19 decision as to which projects were in the co-planning
20 process and which were out was Ontario Hydro's decision
21 and that is your understanding?

22 MS. QUINN: A. Yes, that is my
23 understanding.

24 Q. This was not a government decision?

25 A. No, that is correct.

1 Q. All right. And so with respect to
2 that - this is the Hydraulic Panel and I guess I put
3 the question open to everyone: You are here telling us
4 that you don't know what the criteria are that went
5 into the making of that decision because it was made at
6 a senior level; is that correct?

7 A. I think that Mr. Campbell spoke to
8 the Board and he provided some of the criteria in his
9 announcement on September 24th. I don't think he
10 referred to it as criteria but he gave you some
11 reasons.

12 Q. Mr. Campbell's statements are in
13 evidence, Ms. Quinn. I am asking the people who come
14 to testify on the hydraulic plan as to whether or not
15 they know --

16 THE CHAIRMAN: Perhaps we can ask them if
17 they adopt Mr. Campbell's statement. That would get
18 that part.

19 MS. QUINN: Yes, I agree that I did and
20 Mr. Kelsey on behalf of Northwatch had asked me that
21 question and I believe that Mr. Campbell's
22 announcements which he read into the transcript were
23 the reasons that still stood.

24 MR. STARKMAN: Q. So you have nothing
25 else. Just so I am really clear on this because this,

1 in our view, is a critical point. You have no other
2 evidence to offer other than what Mr. Campbell has
3 stated as to what the criteria are that were used by
4 Ontario Hydro to make the decision as to which project
5 went into co-planning and which didn't?

6 MS. QUINN: A. Well, the reference as to
7 the suspension of planning until a co-planning
8 agreement has been reached because we have discussed
9 co-planning in other ways.

10 I think I volunteered another reason
11 which was a personal reason. That is also in the
12 transcript. I don't remember whether it comes before
13 or after Mr. Kelsey's reference to Mr. Campbell's
14 announcement, but I referred to the fact that in our
15 trip up to the north with the Board, there were so many
16 concerns raised and it was difficult to ascertain
17 whether or not people thought a construction permit was
18 being perhaps applied for and there was a desire on
19 Ontario Hydro's part to be clear about our intentions.
20 We had offered co-planning. We were not proceeding
21 with studies in the Basin beyond the Mattagami. We
22 just wanted to clarify that to the public.

23 Q. So now you are offering a reason. I
24 don't understand the reason you are offering.

25 Is it that because of the trip up north,

1 you believe that Ontario Hydro's senior executives were
2 concerned about public sentiment and, therefore, made
3 the decision to suspend planning?

4 A. The decision to suspend planning was
5 announced on a particular day before this Board.
6 Ontario Hydro had started in advance of that time to
7 slow down on various studies. It wasn't an abrupt sort
8 of thing. What I am saying is that there was a desire
9 to clarify.

10 Q. Do you know the reasons why senior
11 management at Ontario Hydro made the decision as to
12 which sites were in co-planning and which weren't?

13 A. Within our criteria, that is what you
14 are referring to, is the suspension of co-planning
15 without an agreement; that is the specific you are
16 referring to?

17 Q. Yes.

18 A. All right. Beyond what I have said,
19 no, I don't.

20 Q. All Right. And do you know who at
21 Ontario Hydro would be the best person to ask if we
22 were seeking that information?

23 MR. SNELSON: A. From my understanding,
24 the selection of sites mechanically was that it was the
25 Moose River Basin but not including the Mattagami sites

1 where we had government direction to proceed with
2 environmental assessment.

3 Q. Well, let me come back. Ms. Quinn
4 said she didn't know other than what she has told us.

5 I mean, Mr. Snelson, do you know the
6 criteria that were applied by the senior directors of
7 Ontario Hydro on this question?

8 A. I am telling you how it was
9 determined. I think the question is: What were the
10 judgmental factors that lead to them being defined in
11 that way? And I think that is the question where we
12 haven't much more to offer other than what we have told
13 you.

14 Q. Fine. And I asked Ms. Quinn, who at
15 Ontario Hydro, one, would --

16 THE CHAIRMAN: I don't think you can ask
17 that question. I think you have got all the
18 information on this that you can get.

19 MR. STARKMAN: Well, Mr. Chairman, can I
20 just --

21 THE CHAIRMAN: I mean, Ontario Hydro has
22 set out reasons why they made that decision. You may
23 not agree with those reasons, but those are the reasons
24 of the Ontario Hydro corporation.

25 Who was involved and what they thought

1 and how they did it and what they had in their mind is
2 not something that you can ask.

3 MR. STARKMAN: Well, Mr. Chairman, with
4 respect, I don't know if they set out the reasons. The
5 question I keep asking --

6 THE CHAIRMAN: They did set out the
7 reasons.

8 Mr. Starkman, go on to something else.

9 MR. STARKMAN: All right.

10 Q. Let me move on to the Patten Post
11 project.

12 Now, is this a project that Ontario Hydro
13 made the decision to proceed with or was this decision
14 made by government?

15 MS. QUINN: A. I am sorry, I can't quote
16 for you the volume and the transcript, but I believe we
17 have already said Ontario Hydro was asked to proceed
18 with it through an Order in Council.

19 Q. Yes. And is this a project that
20 Ontario Hydro would have proceeded with otherwise or
21 are they only proceeding because the government
22 directed them to?

23 MR. SNELSON: A. It is a project that
24 was on the list of sites that we would consider for
25 development, but we would certainly not have gone ahead

1 with it as soon as is currently proposed without the
2 government direction.

3 Q. Can we look at Volume 88 of the
4 transcript, at page 11563? Mr. Flook, I think this was
5 your evidence. It starts really around the middle of
6 page 15562. Ms. Quinn, you answered the first part of
7 the question. I don't know if you have the transcript
8 there.

9 MS. QUINN: A. I don't. Unfortunately
10 we have one version that we are

11 Q. All right. We are discussing here
12 the Patten Post project. And you said:

13 "I think there is another difference
14 and that was that Hydro was asked to
15 proceed with this proposal through
16 Order in Council."
17 The question is:

18 "The difference between what?

19 ANSWER: This and other projects that we
20 might initiate under our own wisdom. And
21 we were asked to proceed with this
22 through an Order in Council, so we are
23 waiting for government direction.

24 QUESTION: But would you not agree with
25 me that the Patten Post situation has .

1 some similarities with the Abitibi River
2 situation in that there has been a
3 cessation of work and planning pending a
4 resolution of native concerns?

5 ANSWER: It's actually pending further
6 direction from the government. It's a
7 bit different."

8 And then you go on:

9 "We don't really know whether the
10 project will stop or not. We are leaving
11 it in the hands of government to tell us
12 what to do at this stage."

13 And then Mr. Kelsey asks:

14 "Well, what you are waiting for is for
15 not government direction as to what to
16 do, but you are awaiting certain
17 directions from the government with
18 respect to the implications of this
19 situation so that Hydro can make its own
20 decision presumably."

21 Mr. Flook, you then say:

22 "No, I believe we are waiting for
23 government direction. They were
24 directing us to do a job. We started
25 looking at it. The situation came up so

1 we couldn't get started, and we said to
2 the government "Please tell us what to
3 do."

4 So, I mean, am I right in understanding
5 that this is a situation of an inclusion in the
6 hydraulic plan at government direction, No. 1; and
7 secondly, that Ontario Hydro is waiting now for the
8 government to tell Ontario Hydro what to do, I mean,
9 how to proceed?

10 Have I got that right, Mr. Flook?

11 MR. FLOOK: A. With regard to the Order
12 in Council that sets out carrying out studies
13 specifically at this time, that is what Ontario Hydro
14 is awaiting - to receive further direction from the
15 government.

16 If Ontario Hydro is looking at Patten
17 Post in its own timetable, that does not necessarily
18 mean that we would be looking for government direction
19 on what to do.

20 But because it was associated with an
21 Order in Council which has specific dates involved with
22 it, and now there were occurrences which then made us
23 question whether we should be going ahead or stopping,
24 we went back to the government and asked them what to
25 do.

1 Q. But the decision to go ahead with
2 Patten Post was a government decision?

3 A. At this time, yes.

4 Q. Yes.

5 A. The timing.

6 Q. And you are not here defending the
7 government's decision in that respect; am I right?

8 A. No.

9 Q. All right. If we have questions
10 about why the government wanted to you include this or
11 didn't want to you include it, we should ask the
12 government?

13 A. That's correct.

14 Q. All right. Because you are not
15 expressing any views on that matter?

16 A. That is correct.

17 Q. All right. And yet, you say that it
18 is, I guess -- and does that same rationale apply to
19 other parts of the plan where the government has told
20 you to do it and you are not expressing any opinions as
21 to -- you are not offering any evidence as to why the
22 decision was made?

23 A. No, I don't believe so.

24 Q. All right. So this is the one area
25 where it is clear?

1 A. Just the one area, yes.

2 Q. I guess you are saying to us that
3 that is sufficient for this Board, that the government
4 told us to do it?

5 A. That is a fact.

6 THE CHAIRMAN: Well, Patten Post is not a
7 specific part of what is before this Board.

8 MS. HARVIE: That's right. And if I may
9 add, Mr. Chairman, it was formally included in our
10 hydraulic plan long before this government direction in
11 respect of Patten Post came up.

12 MR. STARKMAN: Mr. Chairman, I recognize
13 it is not formally here for a site-specific approval,
14 but it does, if you like, form part of their rationale
15 for the 1,400 to 1,800 megawatts.

16 And our big concern here is that the
17 hydraulic plan is driven by government directive and
18 that Hydro comes and says, the government told us to do
19 it.

20 We don't know whether it is right, wrong
21 or indifferent, whether it is a good or bad plan, just
22 the government told us to do it and it is enough reason
23 for including it in the 1,400 to 1,800 projected
24 attainable capacity. And that is what I am trying to
25 confirm and Mr. Flook said, that is right. They told

1 us to do it. We don't know why they told us to do it.
2 You should ask the government.

3 MS. HARVIE: If I may just clarify, Mr.
4 Chairman, Patten Post was always included in our
5 hydraulic plan. As I have stated on the record before,
6 we no longer have a hydraulic plan in the sense that we
7 have a list of sites and a development schedule.

8 It is included in our attainable
9 potential because it is thought that it is a reasonably
10 achievable development within the next 25 years. The
11 government direction relates to the timing of the
12 project.

13 MR. STARKMAN: Q. Okay. Mr. Flook, let
14 me come back. Your counsel says the government
15 direction relates to the timing of the project only; do
16 you agree with that?

17 MR. FLOOK: A. Yes, and I made that
18 statement just a few minutes ago.

19 Q. All right. Can we just look back at
20 the page I just quoted from in the transcript, Volume
21 88, page 15563?

22 Now, the government told you to go ahead
23 with Patten Post. That is clear. At least to me it is
24 from the evidence you have given. You ran into some
25 problems and you went back to government for further

1 direction as to what it do; have I got it right?

2 [12:40 p.m.]

3 A. Yes, because in the direction telling
4 us to do the job they specified certain times involved
5 with it, and in order to meet those times -- we could
6 not meet those times, or we felt we couldn't meet those
7 times if we took a period of time to resolve the issues
8 as we felt they should be resolved, and we went back to
9 the government and said, what would you like us to do.

10 Q. Right. And Mr. Kelsey says, you were
11 seeking direction with respect to the implications of
12 the situation so that then Hydro could make it's only
13 decision, and you say, No, that's not right. Not so
14 that Hydro can make its only decision, we are waiting
15 for government direction, they are directing us to do a
16 job.

17 I guess no answer is required. The
18 transcript is there for people to look at.

19 The Order in Council, do I recall that it
20 has been filed as an exhibit? The Order in Council
21 directing you to proceed with the Patten Post project?

22 MS. HARVIE: I have no idea, quite
23 frankly, Mr. Chairman, but if it hasn't we will
24 undertake to file it.

25 MR. STARKMAN: Thank you.

1 MR. FLOOK: If I can a correction. I
2 think the discussion about the nose, et cetera, was
3 between the chairman and Mr. Kelsey according to this
4 transcript here. I wasn't involved in that part of the
5 discussion.

6 MR. STARKMAN: The other question is, the
7 letter where you sought further direction from the
8 government, if that hasn't been marked as an exhibit,
9 could we have that marked?

10 MS. HARVIE: Again, Mr. Chairman, I have
11 a lot of difficulty with requests for all these pieces
12 of correspondence passing back and forth between Hydro
13 and the government, and clearly that has to do very
14 specifically with the status and progress of the Patten
15 Post development.

16 I submit that it really doesn't have a
17 great deal of relevance. It's highly site-specific and
18 we are reluctant to get into a practice of filing this
19 correspondence particularly when it is site-specific in
20 nature.

21 THE CHAIRMAN: It's Mr. Starkman's thesis
22 that the hydraulic range is in jeopardy because of the
23 possibility of government direction. I guess that's
24 what his thesis is.

25 But you say that you shouldn't have to do

1 this because it there is nothing to add to what we
2 already know? That is that the government asked them
3 to, in effect, accelerate the timing of Patten Post,
4 that's in effect what the government did, and then the
5 question I thought was, given the moratorium on the
6 development of the Moose River Basin, how did that, if
7 any, affect Patten Post, if that's what they were
8 asking about. But perhaps it isn't. Perhaps it's
9 something else, that Hydro was asking the government
10 for direction on.

11 MS. HARVIE: Well, my understanding of
12 the letter is that we asked not for government
13 direction but for some indication of the implications
14 of the situation.

15 THE CHAIRMAN: Maybe we should have the
16 letter then we will know, at least the letter that you
17 wrote, so we know what you in fact asked for. Your
18 witnesses don't say that.

19 MS. HARVIE: Yes, I am aware of that.
20 Perhaps I will put it on the record that the letter
21 requested not government direction on Patten Post but
22 that we get some clarification of the implication of...

23 THE CHAIRMAN: I am having some real
24 difficulty in seeing what difference this makes to
25 anything that we have to do with this panel, but

1 nevertheless, if we can get it straightened out, I
2 suppose we should.

3 MS. HARVIE: Well, it's up to Mr.
4 Starkman, if he wishes to proceed with this line of
5 questioning.

6 MR. STARKMAN: Mr. Chairman, I think we
7 should look at the letter.

8 The witnesses have described it as a
9 request for government direction. My understanding of
10 what Mr. Flook just said is that the original Order in
11 Council contains some dates, we thought we were going
12 to have some double meeting these dates, is sort of my
13 understanding so we asked for direction.

14 Now, I mean, if it's something else, then
15 it's something else.

16 MS. HARVIE: Yes, I think I can provide
17 the clarification. The Order in Council was specific
18 as to dates that Ontario Hydro should be filing an
19 environmental assessment for Patten Post. And in light
20 of the fact that a date was specified in the Order in
21 Council, and as I say, we will undertake to make that
22 an exhibit if it hasn't already been made one, and in
23 light of the fact that there were developments with
24 Aboriginal groups in the Patten Post area, Mr. Eliesen
25 did ask the government for the implications of the

1 situation as it clearly goes beyond Ontario Hydro's
2 mandate, and we needed some direction generally as to
3 what Ontario Hydro ought to do with a date for filing
4 an EA and Aboriginal groups who were not prepared to
5 work with us.

6 So that, in short, is the story.

7 THE CHAIRMAN: Ms. Quinn?

8 MS. QUINN: Yes. It strikes me that
9 there is a distinction to be made here about what we
10 are discussing before this Board.

11 The exclusion criteria that we have
12 referred to has to do with the suspension of planning
13 in the Moose River Basin beyond the Mattagami Complex
14 for the purposes of arriving at attainable potential.

15 The Patten Post situation is a
16 project-specific matter. It's not really the subject
17 that I think is being discussed by this Board or
18 considered by this Board, and the link has to do with
19 government direction but it's at two stages in
20 planning.

21 In the one case with the exclusion
22 criteria you have our evidence, that we are not aware
23 of government direction. In Patten Post we are aware
24 of it. But we are talking about two stages in the
25 planning process, one having to do with attainable

1 potential, the other very project-specific.

2 MR. STARKMAN: Ms. Quinn, let me try and
3 answer your comments. It may be in the form of a
4 question.

5 It is our view that the primarily
6 exclusionary or inclusionary criterion played by
7 Ontario is government direction.

8 Now, you are saying that government
9 direction for Patten Post is at the site-specific
10 stage, and I don't really want to get into the
11 nitty-gritty of that. But what I saying is that Hydro
12 said it's 1,400 to 1,800 megawatts of attainable
13 potential for planning purposes; right? And what I am
14 saying is that government direction in one form or
15 another could cause some or all of that 1,400 to 1,800
16 megawatts to go away, to disappear or conceivably to be
17 more.

18 They could say, proceed with the
19 following 16 projects and file EAs by next month or
20 next year, or whatever they say, or don't proceed.
21 Don't proceed with these projects because we need
22 co-planning, don't proceed with these projects for
23 these reasons, expedite this one, hold back that one
24 many.

25 What I am trying to demonstrate here is

1 to say that with respect to Patten Post that's exactly
2 what is going on, and yet you have included it in terms
3 of the rationale for achieving the 1,400 to 1,800
4 megawatts for planning purposes.

5 So I still think we should be able to
6 look at the type of exchange that's going on to
7 determine what -- to try and get a handle on the
8 feasibility of the 1,400 to 1,800 is and in fact to get
9 a handle on who it is that's making the decisions.

10 THE CHAIRMAN: Now you have both
11 expressed your views. Now let's get back to the
12 questioning.

13 MR. STARKMAN: Yes.

14 The question, Mr. Chairman is, I have
15 only one more question, but I want to resolve this
16 thing. I think we should look at this letter,
17 particularly because Hydro's counsel stands up and
18 gives us a sort of idea of what this letter says and
19 then says, well, that's what it says generally but you
20 don't have to look at it. And I don't understand that.
21 I think that is irrelevant to this sort of inquiry that
22 we have been pursuing.

23 MS. HARVIE: Well, Mr. Chairman, it's
24 not that Mr. Starkman -- or that we have objections to
25 the Board looking at it. It's simply a matter of

1 policy and practice that we don't wish to be filing
2 stacks of correspondence dealing with site-specific
3 matters, correspondence between the government and
4 Ontario Hydro, it's not relevant, in my submissions, to
5 the approvals sought.

6 Maybe just to end this painful exchange,
7 we will file the thing, if that makes Mr. Starkman
8 happy.

9 MR. STARKMAN: My last question then, Mr.
10 Chairman, let me turn my comments into a formal
11 question.

12 Q. Mr. Snelson, you would you agree that
13 government direction, government order, is one of the
14 exclusionary or one of the inclusionary criteria which
15 Hydro has used in presenting its plan, hydraulic plan
16 to this Board?

17 MR. SNELSON: A. Sorry, is the question
18 about exclusionary criteria or inclusionary criteria?

19 Q. Would you agree that government
20 direction, government order in whatever form it takes,
21 is one of the exclusionary criteria that Hydro has used
22 in formulating its hydraulic plan for presentation to
23 this Board?

24 A. Government direction through its
25 parks policy is clearly a component of the exclusionary

1 criteria for the exclusion for parks, government
2 direction with respect to their release. The actual
3 fact of their having released sites for development by
4 the private sector is clearly the driving force behind
5 the exclusion of sites that have been released to the
6 private sector. So, yes, government direction has had
7 some impact on the exclusionary criteria.

8 Q. And what about the inclusionary side?
9 Would you agree that government direction has had
10 impact or direct impact on the matters that Ontario
11 Hydro has included in there 1,400 to 1,800 megawatt
12 projects?

13 A. Well, the 1,400 to 1,800 megawatts
14 has been derived for purposes of this hearing by
15 exclusionary criteria. The support for government for
16 hydroelectric development I believe is significant in
17 our view that 1,400 to 1,800 megawatts can be
18 developed.

19 Q. But you would agree that you have
20 paid attention to government direction with respect to
21 Patten Post in expediting the EAs?

22 A. When we have receive specific
23 government direction then we pay attention to it.

24 Q. With respect to those direction is we
25 should ask government as to the rationale behind them?

1 A. That is clear, yes.

2 MR. STARKMAN: Thank you. Those are my
3 questions.

4 MS. PATTERSON: I just have one question
5 of clarification.

6 I thought Ms. Basu Roy, that you had said
7 with respect to the letter of April 27th, 1989, that
8 Hydro still had the first right of refusal for sites
9 more than 20 megawatts. Is that your evidence?

10 MS. BASU ROY: That's correct.

11 MS. PATTERSON: How does that equate with
12 the statement at the bottom of that first page of that
13 letter that says most of the larger sites that Ontario
14 Hydro has shown interest in will be released by a call
15 for proposals?

16 MS. BASU ROY: There was discussions
17 subsequent to that April letter between Ontario Hydro
18 and the government which lead Ontario Hydro to believe
19 that we still had right of first refusal for large
20 sites within the province.

21 MS. PATTERSON: Thank you.

22 THE CHAIRMAN: Any further questions?

23 MR. STARKMAN: Yes.

24 Q. That's what I understood the evidence
25 to be. But I think the other part of it was that you

1 could provide us -- or knew of no other government
2 directives with respect to this issue of release of
3 sites other than the ones that we have already referred
4 to?

5 MS. BASU ROY: A. That's correct.

6 MR. STARKMAN: That's it, Mr. Chairman
7 Thank you.

8 THE CHAIRMAN: Thank you.

9 Mr. Campbell, do you want to start?

10 MR. M. CAMPBELL: I don't think I can
11 finish before lunch, Mr. Chairman.

12 THE CHAIRMAN: Well, it depends how long
13 you plan to be.

14 MR. M. CAMPBELL: Approximately half an
15 hour to an hour.

16 THE CHAIRMAN: If you are going to be
17 that long, we might as well stop for lunch then.

18 We will adjourn until 2:30.

19 THE REGISTRAR: Please come to order.
20 This hearing will adjourn until 2:30.

21 ---Luncheon recess at 12:55 p.m.

22 ---On resuming at 2:31 p.m.

23 THE REGISTRAR: Please come to order.
24 This hearing is now in session. Be seated, please.

25 THE CHAIRMAN: Mr. Campbell?

1 MR. M. CAMPBELL: Thank you, sir.

2 Just by way of a brief introductory note
3 to let you know where I am heading, in our statement of
4 concerns, we addressed issues of methyl mercury and
5 carbon dioxide and greenhouse gases, occupational
6 health and public safety and public health.

7 I understand that other parties have
8 either dealt with the first three or intend to deal
9 with the first three, so I thought I would focus
10 primarily on occupational health and safety issues; a
11 little bit of public health later on.

12 And in the course of my cross-
13 examination, I intend to refer to Volume 82 of the
14 transcript, Exhibit 3 of the Demand/Supply Plan,
15 Exhibit 333 - that is the environmental and health
16 effects study.

17 And I have given to the Registrar an
18 interrogatory, 6.17.14, and of that interrogatory, I
19 have only an extract which I wish to refer to. The
20 answer which came back was about an inch thick and I
21 have chosen to put in only a page or two. I have
22 advised Ms. Harvie of the extracts.

23 THE REGISTRAR: That interrogatory, Mr.
24 Chairman, will be 367.138.

25 ---EXHIBIT NO. 367.138: Interrogatory No. 6.17.14.

1 THE CHAIRMAN: Thank you. Campbell.

2 MR. M. CAMPBELL: And lastly, I intend to
3 produce an occupational health and safety study
4 prepared by Hydro respecting the Little Jackfish site.
5 And although it is a site-specific occupational health
6 and safety study, I would like to use it as an example
7 of some of the issues which arise in any site. I also
8 have made Ms. Harvie aware of that.

9 I have not yet filed a document precis.
10 I will do so as soon as I can. There are extra copies
11 of that exhibit here at the front.

12 THE CHAIRMAN: Do you want to have that
13 exhibit marked? Can we get that out of the way?

14 THE REGISTRAR: Mr. Chairman, prefiled
15 have been Exhibits 431 to 434 inclusive. This next one
16 is 435.

17 THE CHAIRMAN: 435? All right.

18 ---EXHIBIT NO. 435: An occupational health and safety
19 study prepared by Hydro respecting the
Little Jackfish site

20 MR. M. CAMPBELL: Thank you. If I may
21 begin then, Mr. Chairman.

22 CROSS-EXAMINATION BY MR. M. CAMPBELL:

23 Q. I guess my first question is directed
24 to the panel at large. I see seven witnesses before me
25 and I wonder if there are any of the witnesses who are

1 particularly knowledgeable in the area of occupational
2 health and safety to whom I should address my questions
3 or are all of them at an equal level of knowledge?

4 MR. FLOOK: A. I don't believe there is
5 any one particular person, but I will attempt to answer
6 your questions.

7 Q. Thank you, Mr. Flook. I gather you
8 are familiar with the Little Jackfish project to some
9 extent; is that correct?

10 A. Yes, I am.

11 Q. Okay. I will come to that later on
12 then.

13 My first question, I think, has to do
14 with the Demand/Supply Plan, the cost/benefit ratio,
15 and I wonder if you could turn in Exhibit 3 to page
16 12-8. And in the left-hand column, about line 25, the
17 middle sentence reads:

18 A ratio of the project life cycle cost
19 to avoided cost less than or equal to a
20 value of one signals an economically
21 attractive project.

22 And looking above, I note in figure 12-2
23 the reference to Little Jackfish which has installed
24 capacity of 132 megawatts; annual energy of .568
25 terawatts.

1 And then over in the column where it says
2 under water rental included "cost/benefit ratio 1.05"
3 and water rental excluded "cost/benefit ratio, 1". I
4 ask the panel if the Little Jackfish project is one
5 which is regarded as economically attractive; is that a
6 correct interpretation?

7 MS. BASU ROY: A. The economics that you
8 are looking at in this particular figure were derived a
9 number of months ago. I guess we have filed an update
10 to that, so we do have a slightly different value now.
11 And the current assessment shows one where the
12 economics are close to being attractive.

13 Q. Fair enough.

14 THE CHAIRMAN: Close to being what?

15 MS. BASU ROY: Close to being attractive.

16 THE CHAIRMAN: Well, actually, they have
17 gone up a bit if I am looking at the right page - 359
18 on page 25?

19 MS. BASU ROY: Yes. I believe it is
20 slightly improved. We are now showing a value of 1.03.

21 THE CHAIRMAN: As opposed to 1.05?

22 MS. BASU ROY: That is correct.

23 MR. M. CAMPBELL: Q. Well, I would just
24 like to test that from the point of view of
25 occupational health and safety for the purposes of

1 understanding how those costs are computed.

2 Could we turn to page 14568 of the
3 transcript? That is at Volume 82.

4 MS. PATTERSON: What is the page number
5 again?

6 MR. M. CAMPBELL: 14568 of Volume 82 at
7 line 19.

8 Q. Ms. Basu Roy, I take it this next
9 portion of the transcript deals with the cost/benefit
10 ratio set out in page 12.8 of Exhibit 3 in more detail;
11 is that correct?

12 MS. BASU ROY: A. That is correct.

13 Q. Well, my first question begins at
14 page 14569 at line 10. And we are looking at the
15 numerator of the ratio which compares the lifetime
16 costs of developing and operating a hydroelectric
17 generating station to the denominator, the lifetime
18 system benefits; is that correct?

19 A. That is correct.

20 Q. Now, included in capital costs over
21 the page at page 1470 are costs connected with design
22 and approvals. And then at line 13, we deal with
23 operating costs including costs for operation
24 maintenance and administration.

25 My simple question is: Would

1 occupational health and safety costs be included in the
2 costs for operation, maintenance and administration?

3 MR. SNELSON: A. To the extent that
4 Ontario Hydro spends money to make its facilities safe,
5 then that would contribute to both the capital and to
6 the operating costs that are recorded.

7 Q. Fair enough. Now, I would like to
8 move over to page 14540, line 12 - 14540, line 12.
9 And here we start with a question on actual
10 construction costs.

11 Over the page, at page 14542,
12 approximately line 10 -- I am sorry line 8, we have a
13 notion of direct costs and we have a notion of indirect
14 costs.

15 Now, am I correct in assuming that safety
16 programs which are referred to on line 15 would be part
17 of the indirect costs; is that correct?

18 MR. FLOOK: A. No. They would be part
19 of the direct costs.

20 Q. Direct costs. 20 per cent of the
21 direct costs would be allowed for that category; is
22 that correct?

23 A. No. The safety program, any cost,
24 because if you are going on the basis that the work
25 would be done by a contractor, is in his costs that he

1 charges Ontario Hydro. It is within the direct costs.

2 Q. Within the direct costs.

3 Now over at page 14543, you have 2-1/2
4 per cent of the sum of all of the above costs for Hydro
5 overheads. And that includes, if I am understanding
6 correctly, at line 24 corporate safety programs.

7 Would that also include occupational
8 health and safety?

9 A. To the extent that corporate safety
10 programs contribute to the improvement of occupational
11 health and safety.

12 Q. Okay. I would now like to turn to
13 Exhibit 333 if I may, and in particular the
14 introduction page which is about the third or fourth
15 page in - fifth page in of the document. The
16 paragraphs aren't numbered, but the fourth paragraph
17 down suggests that this document is indeed a fairly
18 general document and site-specific studies would, in
19 fact, be required in certain cases; is that correct?

20 MR. McCORMICK: A. The health effects
21 are always dealt with at a site-specific level in
22 project environmental assessments, yes.

23 Q. And the very bottom paragraph,
24 paragraph 6 on the very bottom of the page, lists some
25 of the types of health impacts - station construction

1 and operation and maintenance and rehabilitation and
2 redevelopment; that is correct, is it not?

3 On page 3, I would like to draw your
4 attention to the top part of the page under the heading
5 3, life cycle activities. The life cycle involves
6 planning, design, approvals for site selection and
7 construction, site preparation and construction,
8 flooding at some developments, operation and
9 maintenance and rehabilitation and redevelopment.

10 Of those several components, do you
11 include the occupational health and safety costs for
12 each of those components of the life cycle or just some
13 of them; if so, which ones do you include them in?

14 MR. SNELSON: A. I think if I understand
15 your question correctly, there is potentially
16 occupational health and safety effects at any one of
17 those stages of the life cycle. And that to the degree
18 that there are occupational and safety considerations
19 and costs to be taken into account, they would be taken
20 into account at each stage.

21 Q. Can you be more precise than that
22 when you say "to the degree that they are taken into
23 account", how --

24 A. Well, your question is very general
25 and it is hard to give a more specific answer to such a

1 general question.

2 Q. Well, if we return to the numerator
3 of the cost/benefit -- do you recall we looked at
4 operational costs, construction costs.

5 Would planning, design and approval be
6 included under operations or construction?

7 A. The costs of planning and design and
8 approvals and site selection all end up being part of
9 the capital cost of the project.

10 Q. All right. What about rehabilitation
11 or redevelopment?

12 A. Rehabilitation or redevelopment
13 become part of later capital expenditures which might
14 come under the category of capital modifications or --

15 Q. Would they be included in the
16 cost/benefit ratio we were looking at earlier?

17 A. The cost/benefit ratio has costs in
18 for continuing capital expenditures during the assumed
19 life. It doesn't have in costs for rehabilitation or
20 redevelopment after the end of its life that would
21 extend the life.

22 Q. Thank you. Can we turn to page 17 of
23 Exhibit 333? I am particularly interested in the
24 fourth paragraph down from the top of the page and the
25 reference to figure 6 on the next page.

1 Can you tell me how Hydro evaluates lost
2 time injury? How is that evaluated? Is there a
3 monetary value for that, anyone?

4 MR. FLOOK: A. I think you have used the
5 term "evaluate" -- I think it says right in that
6 paragraph how they come up with their statistics as
7 regarding to lost time accidents, et cetera.

8 Q. Well, can you give me the statistics
9 or the mode of recording in dollar terms? How would
10 you evaluate a lost day, one lost day? Do you include
11 wages? Do you include hospitalization costs? Do you
12 include any indemnity paid to a worker? What do you
13 include?

14 A. Conceptually, and we went over this I
15 think in Panel 3, that anything that ends up as being a
16 dollar cost to Ontario Hydro becomes part of the costs
17 of a project either in the capital or the operating --
18 somewhere or another it gets captured just wherever it
19 is appropriate.

20 Ascribed values to things that don't end
21 up as actual expenditures of money by Ontario Hydro do
22 not get captured in our economic evaluations, though
23 they get captured to other processes through judgmental
24 and such other processes.

25 [2:45 p.m.]

1 Q. Can you tell me what the actual
2 dollar payouts would be, though, those things which you
3 do in fact pay out for a lost day or fatality.

4 A. There are statistics available and I
5 don't know the numbers.

6 But within the context of estimating,
7 that is captured in the cost of labour and corporate
8 overheads.

9 Q. But you don't know the actual --

10 A. I personally don't know the actual
11 numbers.

12 Q. Does anyone in Hydro know how that
13 would be done, costed, a death of worker?

14 A. There may be studies that look at
15 costs of different types of injuries, et cetera.

16 Q. And would that include loss of wages
17 or indemnities paid to survivors, does it include
18 hospitalization costs, or is it just the actual dollar
19 costs paid by Hydro? What is included in your costs?

20 A. Well, those costs are paid by Hydro.

21 Q. Hospitalization?

22 A. The hospitalization in the concept
23 now, the costs of contributing to hospitalization
24 premiums, but other things such as lost wages as you
25 are talking about, wages are paid through various

1 programs and these are part of the corporate costs.

2 Q. I see. On page 17, the fifth
3 paragraph down, you say the construction data is based
4 on Hydro's general construction experience.

5 Is there anything unusual about the
6 construction of hydroelectric project other than
7 compared to, say, general construction experience?
8 What types of things go into the construction of the
9 dam which don't go into general construction?

10 A. They are both similar, it is just the
11 proportions of the different types of activities. In a
12 nuclear plant of course it would be much more systems
13 oriented of people putting that pipe and running wires
14 and a small proportion of moving earth and rock, and in
15 a hydroelectric project it would be more a larger
16 proportion of moving earth and rock and smaller
17 proportion of, say, the systems type of work.

18 Q. Is dam construction likely to be more
19 risky or less risky to the work force, do you have any
20 idea?

21 A. I don't believe there is any
22 comparison of more or less.

23 Q. There is no comparison? They are the
24 same?

25 A. They are very similar, yes.

1 Q. Very similar?

2 A. Yes.

3 Q. What about differences in various
4 sites. If you have a site which is relatively flat
5 where you are using perhaps earth dams, not concrete
6 and so on, would there be any difference in the risk to
7 workers if you are pouring concrete, heavy earth-moving
8 equipment, any distinctions in the site?

9 A. I don't know of any studies that have
10 been carried out to indicate that there is a
11 difference.

12 Q. Okay. I would like to look at the
13 interrogatory which we filed, 6.17.14. The
14 interrogatory asked for Hydro's accident injury
15 experience for five years and I received, as I say, a
16 bundle of materials.

17 The only item which I would like to speak
18 about is that referred to in paragraphs 2 and 3 of the
19 response on the first page of the interrogatory.

20 The material was given to me in fold-out
21 form but I was unable to photocopy in that way, so I
22 would like to look at the document entitled "Corporate
23 Employee Accidents", and in particular the column which
24 defines regions, energy management, production, design,
25 construction, supply and services, human resources,

1 finance, corporate planning. The next column defines
2 those in greater detail.

3 My question to the panel is, is it
4 possible from this material to isolate the occupational
5 health and safety expense related to hydraulic, the
6 hydraulic portion of Hydro's plan?

7 A. First of all, there is six reports
8 attached to the interrogatory, which report?

9 Q. I am sorry, I am looking at 1990 just
10 as a sample. The extract I have is from 1990.

11 A. What table in there?

12 Q. This is the table entitled "Corporate
13 Employee Accidents." In the volume that was sent to me
14 it was on a fold-out spreadsheet. That's it,
15 "Corporate Employee Accidents."

16 Now, is it possible from that table to
17 tell what the costs of occupational health and safety
18 are with respect to the hydraulic plan, portion of
19 Hydro's overall plan.

20 My problem is that it seems to be broken
21 down so that under regions you have hydraulic
22 generation and transmission, but then under human and
23 resources you have health and safety, and then under
24 design and construction you have construction field.
25 And so I would guess from this it would be next to

1 impossible to tell precisely what portion of
2 construction costs of hydroelectric dams, what the
3 costs would be. I just can't tell how to relate the
4 costs on this table to, say, the construction of --

5 A. Of course these words you see down
6 here are names of divisions.

7 Q. I understand that.

8 Is it possible to tell us what the costs
9 are with respect to hydraulic, the construction of dams
10 generally?

11 A. No.

12 Q. You cannot from this?

13 A. Not from this. Because of course we
14 haven't built any. This is 1990 and we weren't
15 building any in 1990.

16 Q. I understand. Would it be possible
17 to break it down for future purposes and have any sort
18 of estimate?

19 A. No, because we haven't constructed
20 any hydraulic dams.

21 Q. But for the future, if you intend to
22 construct dams, would it be possible to break it down
23 in that way, so that one could relate worker health
24 this and safety to a particular project?

25 A. I believe each project reports on

1 health and safety, worker accidents, in the normal
2 reporting process of an individual project.

3 Q. For the purposes of assessing the
4 overall costs of the several types of technologies it
5 would be useful to have a cost estimate. Do we have
6 costs for the nuclear and for fossil fuel facilities
7 here, broken down?

8 A. These aren't costs; these are numbers
9 of accidents for hours of work, et cetera.

10 Q. Well, I am going assume from the
11 number of accidents one can get to a cost figure sooner
12 or later.

13 You have broken this down by number of
14 accidents incurred in, say, the nuclear field and the
15 fossil fuel field. Could not the same be done in
16 relation to hydraulics?

17 A. Perhaps we could once we got approval
18 to build one and we actually construct it.

19 Q. You say perhaps we could, but could
20 you? Would it be desirable if you were trying to
21 monitor the overall costs?

22 A. My opinion is, knowing the costs of
23 constructing a hydraulic or hydroelectric as opposed to
24 a nuclear fossil, it may not be as critical as just
25 knowing what the accident statistics are relating to

1 any construction within Ontario Hydro.

2 Q. In choosing the choices of technology
3 would it be useful to have a cost basis which is the
4 same for all three? We have, in a sense, two apples
5 and one orange that we are trying to look at here.

6 A. I don't believe there is a difference
7 that such a static would be a meaningful part of the
8 decision process.

9 Q. Okay. Let's look then at the Little
10 Jackfish study for just a few moments. If I remember
11 correctly, from Exhibit 3, figure 12.2, the capacity is
12 130 megawatts and the energy per annum is .58
13 terawatts; is that correct? I believe that's correct.

14 A. I don't have the numbers in front of
15 me.

16 Q. Page 7 of the Little Jackfish report.

17 MR. SNELSON: A. It would be energies
18 measured in terawatthours, not --

19 Q. Terawatthours, thank you

20 Page 7, paragraph 3.1:

21 The project would take four years to
22 complete with a work effort of some
23 20,000 person-months.

24 Just what exactly is a person-month?

25 MR. FLOOK: A. It's a division that

1 rather than by days it's a month of effort.

2 Q. 20 days per month, 22 days per month,
3 something like that?

4 A. Whatever the appropriate amount is.

5 Q. And up to 900 people, 800 or 900
6 people would be employed at peak period, I gather.
7 That's paragraph 3.1.1.

8 I understand at page 11, paragraph 6, you
9 have an analysis of accident statistics for other
10 Ontario Hydro projects, it indicates that approximately
11 4,000 man days will be lost as a result of the injuries
12 to workers directly related to the construction of the
13 generation component of the Little Jackfish project.

14 Now, how did you compute that on the
15 basis that you haven't done a dam in the last 15 years?

16 A. I believe they used the statistics
17 for Ontario Hydro construction.

18 Q. General construction?

19 A. General construction.

20 Q. If you look up at paragraphs 1, 2, 3
21 and 4, that outlines some of the things which you will
22 be doing there, or might be doing there.

23 Blasting and excavation, is that
24 something done generally by Hydro in general
25 construction projects?

1 A. Yes, both directly when Ontario Hydro
2 is a general contractor and when a general contractor
3 is hired.

4 Q. Foundation and super structure
5 construction, installation, mechanical, all of that's--

6 A. Yes.

7 Q. --normal?

8 And construction of dikes, earth moving,
9 erosion of bank, stabilization, that's all part of your
10 general construction?

11 A. Ontario Hydro is carrying out these
12 activities, yes.

13 Q. All the time.

14 So that the basis of 4,000 man days is
15 based on an extrapolation of your general construction
16 experience to these particular projects; is that
17 correct?

18 A. That's correct.

19 Q. Now, 20 serious injuries are
20 expected. These are in the cross-reference to Appendix
21 A. I believe it's actually at page 17 in the glossary,
22 type A accidents.

23 These are the more serious types; is that
24 correct?

25 A. I would take that to be so.

1 Q. And those are the types of injuries
2 that one would see in general construction as opposed
3 to dam construction; is that correct?

4 A. You would see these in general
5 construction, you would also see them in constructing
6 hydroelectric projects.

7 Q. The next sentence at paragraph 6 on
8 page 11 says:

9 If previous statistics are
10 representative, no construction fatality
11 will occur.

12
13 Grunau, I presume, is the author of that;
14 is that correct?

15 A. That is correct.

16 Q. And Grunau says, whoever Grunau is,
17 "if previous statistics are representative," does
18 Grunau question the statistics?

19 A. I beg your pardon?

20 Q. Does Grunau question those statistics
21 and the extrapolation of your general construction
22 experience to dam construction?

23 A. No, he doesn't.

24 Q. Why would he qualify it or ask the
25 question, if previous statistics are representative?

1 A. Just the manner in which the person
2 wrote that.

3 He is the manager of health and safety.
4 He generates the statistics.

5 Q. I see. Now, the planning stage would
6 be included in the capital costs; is that correct?

7 A. Depends what part of the planning
8 stages. In my earlier direct evidence I talked about a
9 concept stage and a definition phase.

10 The work done in the concept phase is
11 operating and maintenance costs; in other words, it
12 goes against the current year rates as opposed to the
13 definition phase which is capital cost and is
14 accumulated in the cost of the project.

15 Q. If you look at page A5, the very last
16 page of the exhibit.

17 [3:02 p.m.]

18 In the middle of the page under hydraulic
19 project construction -- in fact, there was one drowning
20 during in EA.

21 Was that environmental assessment work?

22 A. That is correct.

23 Q. Under which heading would that fall,
24 planning or capital or --

25 A. That would be under early planning.

1 Q. Would that be included in the capital
2 cost?

3 A. In that particular case, it wasn't
4 because at that time, the budgeting - or the accounting
5 process had all planning, both the definition phase and
6 the concept phase as what we call OM&A or current
7 costs. It wasn't until after that time that a decision
8 was made that the definition phase would be accounted
9 for under capital cost.

10 Q. I see. Also on page A5, just to
11 return to this, paragraph 4.1, under assumptions,
12 injury statistics will be the same as on a hydro job.

13 I take it that you would say that is not
14 an assumption that we should make; in fact, they are
15 the same. I am sorry, A5, the last page of Exhibit
16 333.

17 A. I am sorry, I don't see the
18 reference.

19 Q. Page A5 of Exhibit 333, paragraph
20 4.1, assumptions -- I am sorry, not Exhibit 333, the
21 Little Jackfish study, exhibit -- there it is.

22 A. Yes, I see it. Hydro with a capital
23 'H', yes, for Ontario Hydro.

24 Q. Well, they have assumed that injury
25 statistics will be the same as on a hydro job, but you

1 have told us that they would be.

2 A. Yes. I guess they are indicating the
3 basis of how they had carried out their calculation.
4 That was their assumption.

5 Q. They are not certain here, I take it?

6 A. I don't believe so. I believe that
7 is the manner of people indicating when they do an
8 analysis of what basis these things are carried out and
9 they call them assumptions.

10 Q. Okay. Fair enough. Traffic
11 violations. Again, I am returning to page 11 of the
12 document, Little Jackfish document, the seventh
13 paragraph, the second one up from the bottom. And
14 again, there is a cross-reference to appendix A and I
15 believe it is the first page of appendix A called
16 Little Jackfish hazard identification, access roads,
17 paragraph 1.2.

18 Now, are any portion of these roads also
19 travelled on by the general public or is it all closed
20 roads?

21 A. The roads aren't closed but in
22 general, the general public isn't travelling on them.

23 Q. And have you included in paragraph
24 1.2 travel connected with the construction of the
25 project or is this just for work force going back and

1 forth in and out of town? Do you have a sense of this?

2 A. I believe the analysis is just for
3 that access roads, the 50 kilometres of access roads.

4 Q. So if you were including the
5 transportation of, say, heavy trucks and so on, that
6 wouldn't be included in that? If you included the
7 transportation of heavy machinery, trucks carrying
8 gravel and that sort of thing, I take it that would not
9 be included in that accident statistic, is that
10 correct, or am I wrong in that?

11 A. I couldn't answer you.

12 Q. Would that not have an effect on
13 costs if they are, in fact, included? Would your costs
14 go up if --

15 A. My opinion is that it wouldn't; it
16 wouldn't have an effect on costs.

17 Q. I would like to go back just to touch
18 on public health effects for a moment or so and go back
19 to the notion of the social impact assessment and again
20 with the Little Jackfish appendix, particularly
21 appendix A3.

22 Under paragraph 1.6.8, the camp
23 facilities, I take it there is reference to unmarried
24 quarters only. And then under camp operation, alcohol
25 would be allowed but not sold on site. Firearms would

1 be prohibited but you could pick them up. There would
2 be local hunting and fishing.

3 I don't know the state of the communities
4 in the neighborhood of Little Jackfish, but would these
5 types of working conditions and operation rules apply
6 in most construction sites?

7 A. I would be very cautious about the
8 qualification of most construction sites. Of course,
9 depending upon who is undertaking the project, they
10 would set their own rules as what they believe was
11 appropriate.

12 Q. But that number of people descending
13 into an area where there may be small communities could
14 have an effect on the surrounding communities, could it
15 not?

16 A. The closest community is over 50
17 kilometres away.

18 Q. Okay. In that particular site, yes,
19 but in other sites that might not be the case.

20 A. That might not be the case in other
21 sites.

22 Q. I would like to turn to Volume 82
23 again just to pick up the notion of profiling and
24 monitoring, page 14623, and particularly page 14624 at
25 line 9, the notion of profiling.

1 Would it be appropriate before
2 construction is commenced to do a profile of any
3 populations in the immediate vicinity?

4 A. That is done.

5 Q. And what sorts of things are looked
6 for in those circumstances?

7 A. I will ask Ms. Quinn to comment on
8 that.

9 Q. All right.

10 MS. QUINN: A. Within my direct evidence
11 I referred to some topics, some factors that could be
12 included in the profile, but within a project-specific
13 environmental assessment, they are usually expanded on.

14 I have one in front of me, so this is,
15 more or less, typical - employment, economy and
16 business activity, population in movement, social and
17 community structure, built environment, social and
18 community services, municipal finance and
19 administration.

20 And within the topic of social and
21 community services, you would usually cover off things
22 to do with health and safety and fire departments and
23 hospitals.

24 Q. You would have some positive effects,
25 I would guess, perhaps better housing, better

1 sanitation, more employment, is that possible, and that
2 could lead to an increased betterment of the public
3 health; is that correct?

4 A. Yes, it could.

5 Q. You could get negative things like
6 increased alcoholism or substance abuse, family
7 violence, pregnancies, that sort of thing, or teenage
8 pregnancies?

9 A. You can and it is important to make a
10 distinction between whether or not you are talking
11 about people in a camp setting or in an established
12 town.

13 Q. But would it be a good idea or vital
14 to profile a community before with some of those
15 criteria and then monitor it during the course of the
16 project?

17 A. Yes. That has actually been done on
18 one of our projects, not hydraulic but on another
19 project.

20 Q. Generally, with what results?

21 A. The case I am speaking of is Atikokan
22 Generating Station and we worked with the Addiction
23 Research Foundation because there was concern expressed
24 about predominantly alcohol in that case. And the
25 Research Addiction Foundation lead a study that we

1 co-sponsored with them and they ended up providing
2 training programs and counselling to people in the
3 community.

4 The community already had two mine
5 closures before Hydro became involved and so there was
6 already that latent concern.

7 Q. Was there an increased incidence of
8 alcoholism or substance abuse; do you remember?

9 A. I don't remember. It is a long time
10 since I have read it, I am sorry.

11 Q. And for what time frame would one
12 monitor, the life of the project or a generation or
13 what?

14 A. Well, usually -- the example I am
15 speaking of is, by and large, the construction phase
16 because that is when you have new people moving into
17 the community and they can often move out at the end of
18 construction or not long after. So it usually goes
19 into the beginning of the operations phase but not
20 throughout the whole period of operations.

21 Q. Just one or two last questions.
22 Again I am now back to Exhibit 333. And I think this
23 may just be a small oversight in the transcript, but
24 the middle of page 19 it says: No Ontario
25 hydroelectric dam has ever failed.

1 And Mr. Flook, in his evidence at page
2 14532 at the very bottom and on the top of page 14533,
3 speaks about dams could overtop and in some cases have
4 been washed away.

5 Are you speaking of Ontario Hydro? You
6 are not speaking of Ontario Hydro?

7 MR. FLOOK: A. No. I am talking about
8 dams in general.

9 Q. In general. Okay, thank you.

10 A. Around the world.

11 Q. And also on page 19, the very, very
12 bottom, under the dam structure assessment program,
13 there is examination of the ability of dams to handle
14 probable maximum flood conditions.

15 What is the probable maximum flood
16 condition you are speaking of?

17 A. That is a design terminology of which
18 hydrologists analyze both the historical flows in the
19 river and look at historical precipitation events and
20 looks at snowfall, snow pack conditions or historical
21 snow pack conditions, and then of that put together a
22 scenario of which probable maximum event occurs as the
23 snow is melting on a warm day, spring, and you come up
24 with what is a design flood.

25 Q. What about something like Hurricane

1 Hazel? I don't use that lightly.

2 A. Hurricane Hazel was used in the
3 southern parts of Ontario as the--

4 Q. Maximum?

5 A. --possible maximum precipitation
6 case.

7 Q. And in other parts of Ontario where
8 Hurricane Hazel is not the model, you go to design or
9 the reasonable --

10 A. In the northwestern, there was a
11 reasonable storm in Kenora that is used and offhand, I
12 can't --

13 Q. I think the question was, the Ontario
14 Hydro dams are built to withstand the flood which would
15 be generated in a regional storm condition or Hurricane
16 Hazel condition; is that correct?

17 A. That is not only withstand but able
18 to actually handle the water through the system.

19 Q. Okay. The last question has to do
20 with the glossary on page 333 -- on Exhibit 333, page
21 35. And it just struck me, but epidemiology, is that
22 the best definition you have? I have another one. I
23 would like to read it to you.

24 A. That is not my definition. It is a
25 study of a statistical analysis.

1 Q. Well, the study of the distribution
2 determinants of disease, health-rated states and events
3 in populations. Applications of this study to the
4 control of health problems. That is from a text
5 called, "Public Health and Preventative Medicine in
6 Canada".

7 I would just ask your comments. Is that
8 a slightly better definition?

9 A. I agree, yes, 100 per cent.

10 MR. M. CAMPBELL: Okay. Thank you.

11 Those are my questions.

12 THE CHAIRMAN: Thank you, Mr. Campbell.

13 Mr. Taylor?

14 [3:15 p.m.]

15 THE CHAIRMAN: This looks a bit
16 formidable. I think we better take the afternoon break
17 and we will...

18 Are you organized, ready to go.

19 MR. TAYLOR: Mr. Chairman, if you would
20 like to take the afternoon break, I have no problem.

21 THE CHAIRMAN: If you are ready to go, we
22 will start, but I thought you had to sort those papers.

23 MR. TAYLOR: It will give me a few
24 minutes with the clerk, so I would be happy to take the
25 break now.

1 THE CHAIRMAN: We will do that now then.

2 THE REGISTRAR: This hearing will recess
3 for fifteen minutes.

4 ---Recess at 3:16 p.m.

5 ---On resuming at 3:38 p.m.

6 THE REGISTRAR: Please come to order.
7 This hearing is again in session. Please be seated.

8 THE CHAIRMAN: Mr. Taylor?

9 MR. TAYLOR: Good afternoon, Mr.
10 Chairman, and Members the Panel.

11 Just as an aside, Mr. Chairman, as the
12 panel has had the opportunity to visit Moosonee, as we
13 sit in this hearing room this afternoon, the panel may
14 be interested to know that last night it was minus 30
15 Centigrade in Moosonee, and with the wind chill factor
16 it was minus 40 Centigrade, so I guess we can take some
17 comfort from our location today.

18 Mr. Chairman, with me to my right is my
19 colleague Mr. Hal Watson, and sitting here at the next
20 table is a student-at-law, Alex Popovic, both of whom
21 have been working on this particular.

22 Now, Mr. Chairman, with regard to our
23 document book, we have prepared, I think, something a
24 little bit different, a document book that brings
25 together excerpts from a number of materials that have

1 been filed, the DSP, the hydraulic plan, the
2 environmental analysis, other exhibits, and we have
3 tried to put it in one book that hopefully will assist
4 this panel and the Board in terms of doing that.

5 Mr. Chairman, may I ask that the book
6 itself be made an exhibit?

7 THE REGISTRAR: No. 436.

8 ---EXHIBIT NO. 436: Document Book from the Moosonee
9 Development Area Board and Chamber of
 Commerce.

10 THE CHAIRMAN: Also, I think as you are
11 going through, when you are referring to material in
12 there such as interrogatories or excerpts from
13 exhibits, you should identify what exhibits they are so
14 somebody who may not have the book but who knows
15 something about the exhibits would be able to follow.

16 MR. TAYLOR: Thank you, Mr. Chairman.

17 I have a couple of other preliminary
18 matters that I would like to deal with. I have spoken
19 with the clerk and, Mr. Chairman, with your indulgence
20 perhaps what we could do now is go to the table of
21 contents in the exhibit, 436, and we can identify the
22 interrogatories. Now, some of those the clerk has seen
23 before, and others of which are new. And so, in that
24 regard perhaps we might do that at this point in time,
25 hopefully to save some time later on in the

1 cross-examination.

2 Will that be of assistance, Mr. Chairman?

3 THE CHAIRMAN: Yes, it would.

4 MR. TAYLOR: Tab No. 1 is Interrogatory
5 6.26.183.

6 THE REGISTRAR: That is .139.

7 THE CHAIRMAN: Thank you.

8 ---EXHIBIT NO. 367.139: Interrogatory No. 6.26.183.

9 MR. TAYLOR: On the second page of the
10 index, tab No. 15 is Interrogatory 6.33.23.

11 THE REGISTRAR: That is 140.

12 ---EXHIBIT NO. 367.140: Interrogatory No. 6.33.23.

13 MR. TAYLOR: Tab 18 is Interrogatory
14 6.26.147.

15 THE REGISTRAR: That is .141.

16 I beg your pardon, we already have a
17 number for that. It's 367.3.

18 THE CHAIRMAN: 3.

19 THE REGISTRAR: Could the clerk repeat
20 that number, please.

21 THE CHAIRMAN: 3.

22 THE REGISTRAR: It's 367.3.

23 MR. TAYLOR: Tab 21 is 6.33.4.

24 THE REGISTRAR: That is .141.

25 ---EXHIBIT NO. 367.141: Interrogatory No. 6.33.4.

1 MR. TAYLOR: Tab 23.

2 THE REGISTRAR: 6.3.118 is 142.

3 ---EXHIBIT NO. 367.142: Interrogatory No. 6.3.118.

4 MR. TAYLOR: 6.26.6, tab No. 24.

5 THE REGISTRAR: That is .143.

6 No, that also is 367.10.

7 MR. TAYLOR: Turning to page 3 in the
8 index, interrogatory 6.33.16 at tab 27.

9 THE REGISTRAR: That is .143.

10 ---EXHIBIT NO. 367.143: Interrogatory No. 6.33.16.

11 MR. TAYLOR: Interrogatory 6.33.9 at tab
12 30.

13 THE REGISTRAR: That is .144.

14 ---EXHIBIT NO. 367.144: Interrogatory No. 6.33.9.

15 MR. TAYLOR: And I believe the final one
16 is Interrogatory 6.33.58 at tab 33.

17 THE REGISTRAR: That is .145.

18 --EXHIBIT NO. 367.145: Interrogatory No. 6.33.58.

19 MR. TAYLOR: Now, Mr. Chairman, just
20 before we commence, Ms. Harvie has indicated to me that
21 her preference would have been, to enable the hydro
22 panel to have had these materials prior to that, prior
23 to the break when these were provided to the clerk and
24 to the Panel. I have no problem about having this
25 matter set down to an appropriate point in time.

1 I certainly don't want to cause a concern
2 with regard to this matter. Frankly, I didn't feel it
3 was a problem because we are dealing with a number
4 of --

5 THE CHAIRMAN: I think if you do your
6 examination, we will see how we do on it. I don't
7 think we need to worry too much about that.

8 MS. HARVIE: I was simply referring to
9 the courtesy of providing materials to the witnesses at
10 the earliest opportunity, and since he provided it to
11 the Board and Mr. Lucas, I thought it might have been
12 courteous to provide it to the witnesses as well. But
13 I have no objection to his proceeding.

14 MR. TAYLOR: If I can turn attention the
15 panel to this matter. Before I commence in earnest,
16 Mr. Chairman, in terms of procedure, Mr. Watson has
17 worked on a number of matters, and I, if the Board
18 would indulge us, would like to comment on one
19 particular area and then turn the cross-examination to
20 Mr. Watson for a number of smaller areas and then
21 conclude the cross-examination, if that meets with the
22 Board's approval.

23 THE CHAIRMAN: That would be all right.

24 MR. TAYLOR: Thank you, Mr. Chairman.

1 CROSS-EXAMINATION BY MR. TAYLOR:

2 Q. I would like to turn to tab 1 in the
3 document book, Exhibit 436. There you will find in the
4 Interrogatory 6.26.183, and we were referred to this
5 interrogatory in an answer to one of our
6 interrogatories and it reads:

7 How does Ontario Hydro determine the
8 level of priority to be attached to a
9 given power energy source in its planning
10 process? What is the process and what
11 are the criteria by which Ontario Hydro
12 has determined that hydraulic generation
13 should have a high priority?

14 And I would just like to read into the
15 record the response that was provided to these
16 questions. And that response that I will be quoting
17 from is from the bottom of that page and it says:

18 During the four year period, 1984 to
19 '87, Ontario Hydro conducted a demand/
20 supply option study, Exhibit 57. This
21 study included identification of all
22 demand/supply options and
23 characterization of the options in terms
24 of costs and general environmental,
25 social implications. Opinions, concerns,

1 and priorities of customers individuals
2 and organizations throughout the province
3 were identified through a public
4 consultation program. A variety of
5 techniques were used, including customer
6 opinion surveys, discussions with
7 interested provincial organizations,
8 meetings with community leaders and
9 municipal utilities, and a public review
10 by the Ontario Legislature Select
11 Committee on Energy.

12 Public opinion surveys indicated that
13 many people prefer new hydroelectric
14 development believing that it is
15 environmentally benign, low cost,
16 available and good for the economy
17 because it is an indigenous renewable
18 resource. The information obtained
19 through this process was used in
20 formulating the demand/supply planning
21 strategy.

22 My question to the panel in regard to
23 this response to the interrogatory is, am I correct
24 that this answer accurately reflects the process and
25 criteria used by Ontario Hydro in determining that

1 hydraulic generation should have a high priority?

2 MS. QUINN: A. I think the answer
3 includes some of the descriptions of process. We have
4 referred to various parties that have been part of the
5 discussion during the option study. I think we have
6 also referred to some of the feedback we got which was
7 about the option being indigenous and renewable and
8 considered environmentally benign, low cost, available
9 and good for the economy, we took all of that into
10 account when considering the option.

11 Q. I guess my question is: Does this
12 answer, which I have quoted, does it accurately reflect
13 the process and criteria used? Is that a yes or a no?

14 A. I can't speak to the criteria. I can
15 speak in part to the process.

16 Q. Is there someone that can speak to
17 the process and the criteria?

18 MR. SNELSON: A. I think that in
19 assessing how we came to the view that hydraulic
20 generation should be a preferred option, then this is a
21 brief description. I believe Ms. Quinn gave more
22 information on it in her direct evidence and other
23 people have canvassed the topic in cross-examination.
24 So, it's a general description, it's not necessarily a
25 complete description.

1 Q. In this general description is it
2 accurate to that point?

3 A. I don't see anything in it at the
4 moment that appears inaccurate.

5 Q. I guess the question that I asked
6 was, is it accurate?

7 A. Well, I am not sure if there is any
8 particular part of this that you are questioning the
9 accuracy. I am saying generally it appears accurate.

10 Q. Thank you. Would I be correct to say
11 this public attitude research that is mentioned in this
12 response, would I be accurate to say that it played a
13 major role in the formulation of the demand/supply
14 study?

15 A. I would say that a larger part in the
16 formulation of the demand/supply planning strategy and
17 the demand/supply option study was the feedback that we
18 got through the provincial organization consultation
19 program and the regional consultation program, Select
20 Committee inputs, and so on, the sort factors that Ms.
21 Quinn talked about in her direct evidence.

22 Q. I am going to be coming to that in a
23 minute or two. But my question was: Did this public
24 attitude research play a major role in the formulation
25 of the demand/supply planning strategy?

1 A. It was a factor. The weight that was
2 given was not necessarily all that large. Public
3 opinion polls are not the most accurate forms of
4 planning.

5 Q. Am I correct, Ms. Quinn, were you
6 responsible for the designing and implementation of the
7 public consultation process?

8 MS. QUINN: A. No, I wasn't.

9 Q. All right. Who was?

10 A. Do you mean who was the individual
11 that was responsible?

12 Q. Yes.

13 MS. HARVIE: Mr. Chairman, I am not sure
14 why that matters. I am not sure where he is going with
15 this line of questioning. If he wants to know what the
16 results of the studies were, we can certainly do our
17 best to answer that. But I am not sure why it matters
18 who in particular, what individual designed what
19 particular program.

20 MR. TAYLOR: Mr. Chairman, I will push
21 on.

22 Q. Is it the view of Hydro that the
23 results of this consultation program accurately
24 reflected the views of the residents of the province?

25 MS. QUINN: A. I think we described our

1 consultation programs as pertaining to provincial level
2 organizations, people who were invited by community
3 leaders to come to meetings, and I should say, that is
4 people who were interested in the long-term planning
5 for electricity.

6 [3:53 p.m.]

7 We also spoke to utilities and direct
8 customers. In our business, we don't equate all of
9 that with the general public of Ontario. The public of
10 attitude research that you referred to is more
11 indicative of the general public of Ontario. Many of
12 the others, the other parties that I referred to, are
13 people who have generally identified themselves as
14 having an interest in the topic in advance.

15 Q. So if my question deals with the
16 residents of Ontario per se rather than the agencies
17 that you mentioned, would the results of that
18 consultation process accurately reflect those
19 residents' viewpoints?

20 A. I think that the public attitude
21 research would be the closest piece that would
22 specifically speak to the residents of Ontario since
23 you are broadening the base considerably.

24 Q. Well, would you with me that the
25 results do not accurately reflect the views of those

1 citizens who live downstream from the proposed
2 development in the Moose River Basin?

3 A. We weren't looking at specific views
4 from people from specific geographical areas within
5 that public opinion research.

6 Q. I understand that.

7 A. We were looking at it from the view
8 across the province.

9 Q. I understand that and I only ask you:
10 Would you agree with me that the results of that study
11 don't reflect the views of those people who live
12 downstream from the Moose River Basin?

13 A. I wouldn't know. I wouldn't know who
14 the individuals are that were polled within that
15 survey.

16 Q. Okay. Well, can you advise me how
17 many residents of Moosonee were originally surveyed?

18 A. No. That is not the nature of a
19 public attitude survey of that sort.

20 Q. Okay. Well, can you advise me how
21 many residents made presentations at regional or
22 provincial meetings?

23 A. All right. I am not speaking about
24 the public attitude research at this time. I am just
25 going to be speaking about the regional consultation

1 program. And I know that when the meeting was convened
2 in Timmins, people were invited from municipalities
3 within the area and I know there was someone from Moose
4 Factory who was at the Timmins meeting. Beyond that, I
5 don't know how many individuals may have been involved.

6 Q. Ms. Quinn, would it be fair to say
7 that you don't have any knowledge of anyone from
8 Moosonee who made a presentation at a provincial or
9 regional meeting; is that correct?

10 A. Yes, that is correct.

11 Q. Thank you. And do you have any
12 knowledge about any residents from Moosonee that
13 appeared before the Select Committee?

14 A. Which Select Committee are you
15 referring to?

16 Q. Any Select Committee?

17 A. There were two; one to do with the
18 options study and one to do with the draft strategy.

19 Q. Did any resident of Moosonee appear
20 before any Select Committee?

21 A. I would be pleased to check.

22 Q. Do you have any information?

23 A. I could do that if you would like me
24 to take the time at this point.

25 We know northern municipalities did make

1 some presentations, but I would just have to check the
2 document.

3 Q. Speaking about northern
4 municipalities is just speaking about Moosonee
5 residents.

6 Would you agree with me that there was --

7 A. Excuse me, I am not sure whether or
8 not you would like me to take the time now or you would
9 like to carry on.

10 Q. I would like to carry on at the
11 present time. Maybe we can come back to that later.

12 I am correct in that there was no
13 regional meeting that was held in Moosonee; is that
14 correct?

15 A. That is correct.

16 Q. And not one held in Moose Factory
17 either?

18 A. No, that's correct.

19 Q. And the closest regional meeting was
20 held in Timmins?

21 A. That is correct.

22 Q. And in terms of notice, that was done
23 to the community of Moosonee by merely contacting
24 community leaders; is that correct?

25 A. The community leader in Timmins chose

1 to provide invitations to people within that region who
2 had shown some interest in a long-term electricity
3 planning, so the notification would have come through
4 the community leader, not from Ontario Hydro.

5 Q. Okay. And would you agree with me
6 that Timmins is about 200 miles as the crow flies from
7 Moosonee?

8 A. Yes, that is correct. We recognized
9 that and we provided transportation and accommodation
10 costs to assist with people attending these meetings.

11 Q. Ms. Quinn, isn't it true, in fact,
12 that the results that Ontario Hydro obtained were
13 essentially representative of southern Ontario?

14 A. Can you help me with which program
15 you are thinking of?

16 Q. In terms of your public consultation
17 program.

18 A. I have referred to a provincial and a
19 regional program. I have also referred also to Select
20 Committees. So if you can help me with which one you
21 are thinking of, I might be able to answer your
22 question better.

23 Q. Taking you back to the interrogatory
24 response, in terms of the variety of techniques that
25 were used, isn't it true to say that in terms of your

1 public consultation process, that the results that you
2 obtained were, in fact, essentially representative of
3 southern Ontario?

4 A. That is not my understanding.

5 Q. Let me ask you this question: When
6 this broad public consultation program was being
7 conducted, was there any information program to inform
8 the public as to the risks and benefits of hydraulic
9 development?

10 MR. SNELSON: A. There was information
11 made available for these consultation programs about
12 the characteristics of all demand and supply options.
13 This was a consultation program with respect to all
14 demand and supply options, not just hydroelectric.

15 Q. Okay. Well, would you agree with me
16 that there is value in the opinions of an informed
17 public?

18 MS. QUINN: A. Yes. We attempted to
19 seek those out. As I was mentioning earlier in the
20 regional consultation program, the community leaders
21 canvassed those parties who were interested and had
22 some reason to be interested in long-term electricity
23 planning. And also, within the provincial consultation
24 program the people who chose to participate tended to
25 be those that you would consider informed.

1 Q. During this public consultation
2 program, was the public ever told that there would be
3 cumulative impact studies done on the effects of
4 multiple projects in a river basin prior to further
5 development?

6 A. I am referring to the period up to
7 1989 and I believe at that time, there hadn't been a
8 discussion of cumulative effects to any extent within
9 the environmental assessment field pertaining to that
10 part of the province.

11 Q. So is the answer to that question
12 then no?

13 A. I wasn't at all of the meetings, so I
14 don't know.

15 Q. To the best of your knowledge, is the
16 answer to that question no?

17 A. My answer remains I don't know.

18 Q. As part of your surveys and
19 consultations, did Ontario Hydro ever ask the public
20 whether they wanted a cumulative impact assessment to
21 be done prior to any new development?

22 A. I believe in the provincial
23 consultation program we were looking for
24 characteristics of supply options and demand options
25 and planning issues, so a project-specific or

1 area-specific topic such as that wouldn't have been
2 initiated by us.

3 Within the regional consultation program,
4 the topic may have come up but we were asking the same
5 kinds of questions. We were trying to seek out
6 opinions with regards to one option, technology option,
7 versus another.

8 Q. Just as an aside, does anyone on the
9 panel recall that in the past Ontario Hydro used to
10 promote hydraulically-generated electricity as "clean
11 and safe"; do you recall that?

12 MR. SNELSON: A. I don't know about the
13 other panel members but I don't recall specifically
14 Ontario Hydro promoting in that way, but I have only
15 been in Canada for 22 years.

16 Q. Nobody recalls that? You don't
17 recall the program advertisements on TV and in the
18 newspaper "clean and safe"? You don't recall that?

19 (No response).

20 Let's move on. I would like to turn now
21 to tab No. 2. Tab No. 2 is from Exhibit 61, Volume 2,
22 which is entitled, "Meeting Future Energy Needs,
23 provincial organization consultation and program
24 summary report." And the reference here is to page
25 (iii), wherein commenting on the difficulty of fairly

1 representing the submissions that had been made, the
2 authors noted the following. They said:

3 The submissions varied greatly in
4 length and in the issues covered. It is
5 difficult in a summary document to do
6 justice to all the comments, convictions
7 and recommendations received. We hope
8 that we have, nevertheless, covered the
9 issues despite the inevitable selection
10 which had to be made in a summary of this
11 size.

12 You will agree with me that this
13 quotation refers to a selection process?

14 MS. QUINN: A. Yes, it does.

15 Q. And am I correct that Ontario Hydro
16 made the inevitable selections?

17 MR. CONNELL: Mr. Taylor, could I
18 understand what you mean by "an inevitable selection"?

19 MR. TAYLOR: Mr. Chairman, I don't know
20 what an inevitable selection meant. All I know is that
21 is the terminology that was used, but I presume that
22 through this distilling process, Ontario Hydro, I
23 believe - and that is the nature of my question - made
24 some choices.

25 I would first like to clarify as to

1 whether or not it was Ontario Hydro who made those
2 choices as to what gets included.

3 MS. QUINN: It was done by a consultant
4 on behalf of Ontario Hydro.

5 MR. TAYLOR: Q. Okay. Now, on that same
6 page, in the paragraph below, the authors state:

7 In the consultation process, we were
8 seeking a wide range of views from a
9 cross-section of interests rather than a
10 consensus among participants. As a
11 result, we have not drawn conclusions in
12 the summary.

13 You will agree with me that no
14 conclusions were drawn, I trust; is that correct?

15 A. Yes, that's right, this document does
16 not do that.

17 Q. And yet, Ontario Hydro used some of
18 those submissions in the formulation of strategic
19 directions in the Demand/Supply Plan strategy; is that
20 correct?

21 MR. SNELSON: A. Together with other
22 information that was received, yes. With respect to
23 the selection process that you discussed, then if you
24 are concerned that we unfairly summarized the
25 submissions, then the full submissions are included in

1 Exhibit 62 which is the Volume 3 of this provincial
2 organization's consultation program report.

3 Q. Well, we are going to come further a
4 few questions to talk about some of those examples.

5 The Board will recall that strategic
6 direction No. 4 which is set out in the Demand/Supply
7 Plan strategy appears at page A1 of the DSP and at tab
8 3 in our binder.

9 If you turn to tab 3, item No. 4 on the
10 right-hand side of the page, it says:

11 Ontario Hydro will give a high
12 priority to the orderly development of
13 the remaining economic hydroelectric
14 potential recognizing that this is a
15 renewable but limited resource.

16 Now, if we go to tab 4, and this is page
17 33 of Exhibit 61, page 33 down towards the bottom, it
18 says:

19 The hydraulic option received the
20 approval of many participants.

21 And then you will agree with me that the
22 report went on to cite various examples that supported
23 that conclusion; is that correct, Mr. Snelson?

24 A. Well, I have not read this report for
25 quite some time. On the page that you have copied, I

1 see one example. I am presuming there are perhaps
2 others on the pages that follow, but I don't have it
3 here in front of me.

4 Q. Okay. Well, would you turn with me
5 to tab 5, which is page 34, from that same exhibit?

6 And would you agree with me that the
7 second paragraph down, one submission is quoted as
8 saying:

9 At least two conservation authorities
10 are involved in small-scale Hydro
11 production in corporation with Ontario
12 Hydro?

13 And then there is a series of dots.

14 Ontario Hydro may want to pursue
15 expansion of small-scale hydraulic sites
16 with other conservation authorities
17 having the necessary conditions for hydro
18 generation.

19 Now, Mr. Snelson, would you agree with me
20 that the essence of this submission is that Ontario
21 Hydro may want to pursue the expansion of small-scale
22 hydraulic sites?

23 [4:10 p.m.]

24 THE CHAIRMAN: To make it clear, that is
25 not Ontario Hydro talking; it's the Association of

1 Conservation Authorities.

2 MR. TAYLOR: I agree, Mr. Chairman.

3 MR. SNELSON: I agree that that's what
4 the summary of the Association of Conservation
5 Authorities says.

6 MR. TAYLOR: Q. Okay. And would you
7 then come back with me to tab 4, it says in the quoted
8 portion: The hydraulic option received the approval of
9 many participants. Examples of statements include
10 the example that we have just read from page 34 which
11 is tab 4. Would you agree with me, Mr. Snelson, it
12 refers to small hydro?

13 MR. SNELSON: A. In that particular
14 example, yes.

15 Q. Wouldn't you agree with me that there
16 is a huge jump in logic to rely on this sort of
17 submission as support for Ontario Hydro's proposed
18 large basin hydraulic development as opposed to what
19 this refers to which is small hydro?

20 A. The reason I am taking some time is I
21 am just reading the other comments received as well.

22 Q. Mr. Snelson, I would like to direct
23 your attention to tab 4 and to the paragraph that I
24 quoted, because it is listed as being one of the
25 examples that's quoted as saying it received the

1 approval of many participants. But I suggest to you,
2 Mr. Snelson, that that refers to small hydro; am I
3 correct?

4 A. I have agreed that that particular
5 one does, but there are a number of summaries of
6 submissions of participants here.

7 Q. I understand that, Mr. Snelson. I
8 want to take you back, and this is a listed as an
9 example in the statement. I suggest to you that there
10 is a large leap in logic that's made to list this as
11 the sort of submission that Hydro would rely on for its
12 proposed large river basin hydraulic development.

13 MS. QUINN: A. If I can add something
14 here. I believe we were interested in setting out
15 comments on the hydroelectric option. We weren't
16 specifically speaking at that point in time, nor were
17 the participants, to the motion of, say, river basin
18 planning. They were talking about the hydroelectric
19 option, for example, as compared to a fossil option, a
20 thermal option.

21 So I don't believe that it is off topic.
22 I think it is appropriate to have included it for the
23 information of people reading the document.

24 Q. Well, it wasn't the answer to the
25 question that I have asked, but let me push on in any

1 event.

2 Isn't it also true that there were views
3 expressed that report that were opposed to
4 hydroelectric development?

5 A. Yes, there were. We attempted to
6 provide some balance reflecting the views that were
7 expressed about this option and others.

8 Q. Can I turn your attention to tab 6,
9 which is page 35 of Exhibit 61, the last comment before
10 the discussion commences on nuclear says:

11 A negative comment on large hydraulic
12 developments was received from Toronto
13 Nuclear Awareness who said: 'We are
14 skeptical about Hydro's plans to expand
15 hydraulic generating capacity when we
16 know that their hydraulic research and
17 development has been decimated.

18 Toronto Nuclear Awareness does not want
19 to see another environmental disaster
20 like James Bay in Ontario's north. The
21 Albany, the Attawapiskat, the Winisk and
22 the Severn should all remain free and
23 wild rivers. We want small, median and
24 micro development in the south and near
25 north.

1 Isn't that correct?

2 MR. SNELSON: A. That's what it says.

3 Q. Now, I would like to refer the Board
4 to page 3-5 of the environmental analysis, and this is
5 Exhibit No. 4, and it comes under the heading Social
6 Environmental Criteria, sub heading, Societal
7 Considerations, and the relevant section is found at
8 tab 7. There in the middle column, down at the bottom,
9 the following quote is made on this criteria, the first
10 sentence says:

11 Social acceptability of a plan will
12 depend on the extent to which Ontario
13 Hydro has integrated changing social
14 values into its plans.

15 Now, with regard to that quote, am I
16 correct then in understanding this quote to mean that
17 Ontario Hydro in its plans will reflect changing social
18 values?

19 MS. QUINN: A. Yes, I think if you carry
20 on, it actually helps with the clarification.

21 These values relate to environmental
22 performance, the maximum achievement of
23 public preferred options such as demand
24 management, non-utility generation,
25 hydraulic generation and station

1 rehabilitation, the choice of
2 technologies and siting.
3 I think that helps clarify what was
4 intended.

5 Q. So, Ms. Quinn, you would agree with
6 me that this is an important planning criteria?

7 A. Yes, it is, and the others are as
8 well.

9 Q. Then am I correct in assuming that if
10 it is determined that hydraulic development is not
11 acceptable to the public, that Ontario Hydro will not
12 pursue its plans for hydraulic development?

13 A. Ontario Hydro will undertake
14 activities to learn about what the public's interests
15 are, what their concerns are. I think this hearing is
16 one example and so would be site-specific environmental
17 assessment processes and any possible hearings.

18 Q. Let me ask the question again. Would
19 you agree with me that this criterion, social
20 acceptance, is an important planning criteria? Am I
21 correct in assuming that Ontario Hydro, if it is
22 determined that hydraulic development is not acceptable
23 to the public that Ontario Hydro will not pursue its
24 plans for hydraulic development?

25 THE CHAIRMAN: What do you mean by the

1 public in that question?

2 MR. TAYLOR: Well, Mr. Chairman, you will
3 see below in the section that's been referred to, Ms.
4 Quinn has just finished quoting from, it says there,
5 social acceptance considered from a provincial,
6 regional and local community perspective.

7 And, Mr. Chairman, as you might have well
8 have guessed, I will be commencing my comments with
9 regard to a local community perspective.

10 THE CHAIRMAN: The acceptability of the
11 public is really what this hearing is about, is it not?
12 That's where that question is going to be decided.

13 MR. TAYLOR: Well, Mr. Chairman, with
14 respect, I understand where the Board is coming from on
15 that, but I think the issue in terms of social
16 acceptance and social acceptability is something that
17 has to do with the citizens of this province and parts
18 of the communities that are directly impacted.

19 THE CHAIRMAN: That will be site-specific
20 considerations in the case of, for instance, your
21 clients.

22 MR. TAYLOR: Well, Mr. Chairman, I am
23 loathe to get into the discussion with regards --

24 THE CHAIRMAN: Why don't you proceed with
25 your questions then.

1 MR. TAYLOR: Thank you, Mr. Chairman.

2 Q. Now, Ms. Quinn, if I can take you
3 back then. Am I correct that if it is determined that
4 hydraulic development is not acceptable to the public,
5 be it the local community, the regional or the
6 provincial community, that Hydro will not pursue its
7 plans for hydraulic development?

8 MS. QUINN: A. I think Hydro will be
9 sensitive to what it learns through any kind of public
10 forum, and plans can be changed in a variety of waste.

11 Attainable potential can be changed and I
12 just acknowledge the exclusion criterion associated
13 with the suspension of planning in the Moose River
14 Basin beyond the Mattagami Complex. At a
15 project-specific stage the design of a particular
16 station can well be changed as a result of the concerns
17 in the local areas. So plans, yes, are changed.

18 Q. Let me ask you this: Is Ontario
19 Hydro now doing any studies to assess the changing
20 values of the citizens of this province?

21 A. At this very moment I am not aware of
22 anything specifically.

23 Q. All right. Well then, would you
24 agree with me that these two statements are in
25 conflict? I mean, how can you integrate change if

1 there is no action being taken to see if there is any
2 change?

3 A. Maybe you can help me a little. What
4 are you talking about when you refer to plans?

5 There are project-specific activities
6 under way and certainly the preferences of people in
7 the local area would be taken into account. But I am
8 not too sure what you are referring to.

9 Q. Well, what I am referring to is
10 social acceptance. Would you agree with me that there
11 is a growing opposition to hydraulic development in
12 this province and elsewhere?

13 A. I can't speak for elsewhere. I am
14 not a resident of anywhere else.

15 Q. Are you aware of any growing
16 opposition to hydraulic power?

17 A. I am aware that in certain parts of
18 the province there is concern. I am aware of other
19 parts of the province it's not the same situation.

20 I believe in our direct evidence we have
21 also acknowledged concerns that were raised at early
22 stages by people from a provincial level and the
23 provincial consultation program, so the sensitivity is
24 there.

25 Q. Well, I am pleased to hear the

1 sensitivity is there. But is Ontario Hydro prepared to
2 commit to the withdrawal of any development in a basin
3 or a site that it determines is no longer socially
4 acceptable?

5 MR. FLOOK: A. I believe the arbiter of
6 socially acceptable is the EA process for that project
7 and it would be decided and if the project was not
8 approved through the EA process then it wouldn't be
9 built.

10 Q. So that in terms of social
11 acceptance, this is something that Ontario Hydro will
12 not look at, you suggest that it will be something
13 looked at in a site-specific EA process; is that
14 correct?

15 A. That's the final opportunity to
16 discuss that.

17 Q. Well, do you recall the visit that
18 was made by the panel and other intervenors to Moosonee
19 and Moose Factory? Do you recall that?

20 A. I wasn't there.

21 Q. I believe Ms. Quinn was there as one
22 member of the panel.

23 You can confirm that, can't you, Ms.
24 Quinn?

25 MS. QUINN: A. Yes, I was there.

1 Q. Can you confirm that in fact public
2 meetings were held in both in those communities and the
3 sentiments were expressed were unanimously, by all
4 persons appearing, against Ontario Hydro's plans for
5 the Moose River Basin?

6 A. I believe behind your tab 8 I have
7 already given you my evidence on that point, line 16,
8 17, and I am sorry I don't know what volume it is, but
9 it's page 15582.

10 Q. I believe it's Volume 88, if that's
11 of assistance.

12 Ms. Quinn, do you recall anyone speaking
13 in favour of Hydro's plans for the Moose River Basin at
14 Moosonee or Moose Factory?

15 A. I remember late in the night at Moose
16 Factory that there was some expression by an elder
17 where the notion of wondering what all of this could
18 involve was expressed, and I don't deny there wasn't a
19 great deal of concern. I don't think I have ever
20 suggested anything to the contrary.

21 Q. Would you agree with me that in fact
22 there is no social acceptance in those communities for
23 the Ontario Hydro hydraulic plan?

24 A. I don't know that. I have read
25 articles in newspapers, I have had conversations with

1 people. I am not too sure what you are asking me to
2 agree to.

3 Q. I am asking to you agree with me that
4 there is no social acceptance in Moosonee and Moose
5 Factory for the Ontario Hydro hydraulic plan?

6 A. The Ontario Hydro hydraulic plan as
7 you may have known it as Exhibit 26 is not part of our
8 evidence at this stage. We have set forward a range of
9 attainable potential and I would be pleased to answer
10 your question if you could rephrase it slightly.

11 Q. Would you agree with me that there is
12 no social acceptance in Moosonee or Moose Factory for
13 Ontario Hydro's plans for the range of attainable
14 potential from hydraulic energy?

15 MS. HARVIE: Maybe I will rise at this
16 point, Mr. Chairman.

17 This witness can only speak to what she
18 is knows and she was, as you know, in Moosonee and
19 Moose Factory during the public submissions, but it may
20 be more appropriate perhaps if Mr. Taylor provided the
21 answer to that question himself on behalf of his own
22 client.

23 THE CHAIRMAN: Do you want to ask any
24 more questions about this? I don't know how much more
25 you could add.

1 [4:24 p.m.]

2 MR. TAYLOR: I will just carry on with a
3 few brief questions to finish off, Mr. Chairman.

4 Q. Ms. Quinn, in your evidence that is
5 quoted at tab 8, you indicated that the public concern
6 that was raised at the site visit was a factor in
7 Ontario Hydro's decision, am I correct, tab 8?

8 MS. QUINN: A. I am sorry, I don't think
9 that that page speaks to that point.

10 You are on the second page, are you, at
11 tab 8.

12 Q. Thank you, at line 13.

13 A. Yes, I suggest that it was one factor
14 that I observed. And the concern was that there be
15 clarification of what Ontario Hydro had already tried
16 to communicate and that was it was a planned
17 assessment; it wasn't a proposal that was going to be
18 acted on in the near future. And the evidence that has
19 been given earlier today speaks to the other reasons.

20 Q. Well, Ms. Quinn, would it be fair to
21 say that Ontario Hydro has already taken some steps,
22 although not complete, to recognize the lack of social
23 acceptability of the hydraulic option?

24 A. In the summer of this year, Ontario
25 Hydro had discussions with representatives of Moose

1 Factory - I don't know about Moosonee, but I will say
2 Moose Factory - with regards to the pursuing of studies
3 for a plan assessment. And we were told that -- at
4 that time, we made the decision to not proceed on them
5 but for a few. And the reluctance that we have felt
6 has been expressed in a variety of ways.

7 We also understand that the First
8 Nations - and I can't speak for all of your clients. I
9 really don't know their position on some of these
10 points - is that they would like to have
11 government-to-government decisions and discussions
12 first. So, we are really waiting until the shoe drops.

13 Q. Would you agree with me that in light
14 of the large amount of development that has been
15 suspended in the Moose River Basin, that Hydro has
16 placed a great deal of importance on the criteria of
17 social acceptability?

18 A. Well, what we have specifically
19 referred to was a co-planning agreement to do studies
20 and we would like to have that agreement in place and
21 to the extent that it does include a recognition of
22 social acceptance, yes. I think there are other
23 factors involved in that decision as well, but your
24 factor is also included in that decision.

25 Q. So, the answer is a qualified yes?

1 A. That's correct.

2 MR. TAYLOR: Thank you. Those are all my
3 questions on this segment, Mr. Chairman. And we
4 propose at this time Mr. Watson has a few brief
5 questions in some areas, if we could turn it over to
6 Mr. Watson.

7 THE CHAIRMAN: Thank you.

8 CROSS-EXAMINATION BY MR. H. WATSON:

9 Q. I would like to ask a few questions
10 about the issue of methylmercury. And I would just
11 refer everybody to tab 9, which is an excerpt from
12 Exhibit 333, "Materials Relating to Environmental and
13 Health Effects of Hydroelectric Development". This is
14 page 1.

15 Looking at the last two sentences in
16 paragraph 1:

17 Limitations also apply to the
18 quantification of some hazards. It is
19 possible, for example, to analyze the
20 number of fatalities incurred during
21 construction of a hydroelectric project,
22 but it is much more difficult to
23 determine the precise human health
24 impacts of methylmercury produced by
25 reservoir flooding.

1 Mr. Harris, the fact is that it is known
2 that methylmercury does have dire consequences to human
3 and animal health, correct?

4 MR. HARRIS: A. I would say that
5 methylmercury can be a health hazard depending on the
6 exposure.

7 Q. But just to be sure there is no
8 question about that, at certain levels, it is a health
9 problem?

10 A. Yes, it is, in sufficient exposure.

11 Q. Wouldn't you would agree that to
12 date, we only know that damage occurs at the higher
13 concentrations, but that we don't understand or know
14 what more subtle damage is done at lower
15 concentrations? We just don't know the answer to that
16 yet, do we?

17 A. I think there is a fair body of
18 information on lower exposures, but that yes, it is an
19 area of discussion; the complication being that at
20 lower exposures, if symptoms appear at all, they may be
21 of a nature which could also be caused by other
22 factors.

23 Q. By the same token, wouldn't you agree
24 that sometimes a symptom may present itself and we
25 wouldn't be able to determine from what source it

1 arose?

2 A: That is possible, yes.

3 Q. An example would be that in-utero
4 exposures have resulted in severe disabilities to
5 children where mothers have only showed mild or
6 transient symptoms?

7 A. I am aware of that kind of situation
8 having been reported in severe cases in Japan, for
9 instance, but I am not aware of that kind of situation
10 for any hydroelectric context.

11 Q. Well, I don't think it is a
12 completely hydroelectric context, but perhaps I could
13 just, for the sake of the Board who may or may not have
14 seen this before -- in fact, I could refer to you tab
15 10 which is another excerpt from Exhibit 333, down in
16 the fourth paragraph, the last sentence, last two
17 sentences:

18 For example, in the Minimata case,
19 severe disabilities (e.g. palsy) in a
20 number of children were attributed to
21 in-utero exposures. The mothers of the
22 Minimata children showed only mild and
23 transient symptoms.

24 So there is some documentation of that,
25 correct?

1 A. Yes, there is, as I said, in the
2 Minimata case in Japan which was a serious level of
3 exposure.

4 Q. Thank you. I might just refer the
5 panel or the Board and both to tab 11 which is another
6 excerpt from Exhibit 333, page 21.

7 Is it fair to say that we do know that
8 flooding increases methylmercury concentrations in
9 water, but that we are not yet certain how or why that
10 occurs, though some scientists have a theory. I
11 realize that.

12 We are not certain, are we?

13 A. There is, I think, a strong consensus
14 at the moment that flooding will result in increased
15 methylmercury in fish and that there is a reasonable
16 understanding of the process.

17 Q. We are not certain yet though. It is
18 still a theory really?

19 A. I would say there is a strong body of
20 evidence to support it. I agree that there is still
21 some ongoing work.

22 Q. Okay. Would you agree that
23 mitigation techniques which involve the removal of
24 organic materials from the reservoir are unproven?

25 A. In full-scale situations, yes, they

1 are.

2 Q. Therefore, these mitigation
3 techniques proposed by Hydro are really a theory based
4 upon a theory; is that not true?

5 A. Well, are you referring to the
6 mitigation techniques for --

7 Q. I am thinking of the removal or
8 burying of organic materials, reservoir preparation.

9 A. Well, I think there is, as I said, a
10 strong body of evidence that organic material is
11 important in this reservoir situation and that removing
12 the organic material would have an effect.

13 I agree that it is based on limited
14 information in terms of, we don't have a full-scale set
15 of results yet, but I think there is a good reason to
16 believe that it would have an effect.

17 Q. Okay. Well, I accept that. And I
18 don't really want to pursue any further the types of
19 mitigation techniques that remove organic materials
20 because I think that has been dealt with and I don't
21 want to go on with it, but I would like to highlight
22 some of the other techniques that are contemplated in
23 this document, Exhibit 333, because I don't think they
24 really - and perhaps I am wrong - but I don't think
25 they have been dealt with in a way that we felt

1 satisfactory at any rate.

2 If I could refer again to the same tab,
3 12 -- or 11 I should say, sorry, page 21 at the bottom,
4 the line that reads:

5 Selective fishing may also be an
6 option to remove methylmercury from the
7 reservoir. For future hydroelectric
8 developments, with or without reservoirs,
9 Hydro will monitor fish mercury
10 levels before and after construction. If
11 elevated mercury concentrations in fish
12 or wildlife are observed, a variety of
13 measures could be developed in
14 co-operation potentially affected
15 resource users, to minimize the potential
16 for mercury exposure in humans. These
17 include: Providing information on
18 ambient mercury levels in fish (eg.
19 via Ontario Ministry of the
20 Environment's fishing guidelines); the
21 second bullet, issuing warnings (eg.
22 posting reservoirs); identification of
23 species with lower mercury levels and
24 educating users as to alternative species
25 (eg. non-predatory) to minimize mercury

1 uptake; identification of fishing/
2 hunting areas with lower mercury levels,
3 and possible provision of financial and
4 other assistance to improve access to
5 these areas; provision of food to those
6 unable to hunt and fish; assistance with
7 relocation of traplines, cabins,
8 etcetera.;

9 funding fish and wildlife management
10 programs to improve existing sources of
11 traditional food; and finally, monitoring
12 mercury concentrations in potentially
13 affected resource users to ensure blood
14 levels remain below medical guidelines.

15 With regard to the technique of selective
16 fishing to reduce methylmercury, would you agree that
17 this is a method whereby fish stocks are overfished in
18 the hope that the remaining fish will have lower levels
19 of mercury? Is that essentially the plan?

20 A. I think it would depend on your
21 meaning of the word overfished. I think it refers to
22 selectively fishing in a water body to lower the
23 methylmercury concentrations in the fish which remain.

24 Q. But would that not involve a
25 substantial number of fish above what would be normal

1 in the normal use of that water?

2 A. I can't comment on the number of fish
3 that would have to be taken. I know there would be a
4 need to consider the sustainability of the population.

5 Q. Certainly that would be a factor. I
6 just want to make sure that I understand it.

7 Obviously you would fish beyond what
8 would normally be the case, correct?

9 A. I think it would depend on what was
10 previously the case. If it was an intensively fished
11 area, perhaps the existing level of fishing would
12 suffice.

13 Q. Okay. I will leave it at that. But
14 you have to agree that the result of this would be that
15 there would be less fish stock for the people, the
16 resource user?

17 MR. McCORMICK: A. Unless it is
18 accompanied by any other techniques to improve species
19 such as white fish which would be less prone to uptake
20 of mercury.

21 THE CHAIRMAN: I suppose selective
22 fishing can have several meanings, can't it? There's
23 several methods and various ways of doing selective
24 fishing; is that correct?

25 MR. HARRIS: I would think so, yes.

1 MR. H. WATSON: Q. Would you confirm
2 that if the original source of contamination is not
3 eliminated, that a future recovering population of fish
4 will once again be subject to mercury accumulation?

5 MR. HARRIS: A. Yes, that is a
6 possibility and it was mentioned in Exhibited 118.

7 Q. I just wanted to confirm that. Thank
8 you.

9 Exhibit 33, I believe, calls this a
10 mitigation technique, but it strikes me that it is just
11 creating additional problems for the user of that
12 river.

13 I take it you wouldn't agree with that?

14 A. I wouldn't agree with that.
15 Universally, I think you would just have to explore the
16 situation and see what level of fishing might be
17 undertaken which would not cause its own host of
18 problems. I think --

19 Q. You would agree that there are some
20 real difficulties in this particular technique; that it
21 can be a problem if it is not applied properly?

22 A. No, I wouldn't agree with that
23 necessarily. I think it is a possibility that needs to
24 be -- attention has to be paid to the issue to avoid
25 other problems.

1 Q. Okay. Two other mitigation
2 techniques that are identified are, one, to provide
3 information on ambient mercury levels through the MOE's
4 fishing guidelines and to issue warnings.

5 Posting reservoirs, I presume, means
6 putting up a sign saying that this reservoir has a
7 problem, correct?

8 A. Well, yes, I would say that posting
9 would involve putting up signs.

10 Q. So neither of these techniques in any
11 way mitigates methylmercury loading of the environment,
12 does it?

13 [4:40 p.m.]

14 A. Sorry, in terms of the posting, yes,
15 that's true. What was the first...

16 Q. The first one was just the MOE
17 guidelines as to mercury.

18 A. Both those approaches would limit the
19 exposure, not the level of mercury.

20 Q. So they don't really solve the bottom
21 or the base problem.

22 A. That's right. And that is why I
23 think we have also stated a preference in Exhibit 333
24 for options which would reduce the mercury level at its
25 source, or the mercury issue at its source.

1 Q. I saw that, that's quite true.

2 A further technique is said to be to
3 identify species with lower mercury levels and educate
4 users as to the alternative species to minimize mercury
5 uptake.

6 Isn't Ontario Hydro just simply saying
7 eat the less poisonous fish when they say that?

8 A. No, I don't think so.

9 Q. It says you will identify species
10 with lower mercury levels and educate users as to those
11 species.

12 Isn't that just saying, eat the fish that
13 has less mercury or less poison?

14 A. Well, it's saying eat fish with less
15 mercury, yes.

16 Q. Again, I don't want to belabour the
17 point, but it doesn't mitigate the problem of
18 methylmercury loading.

19 A. It mitigates the exposure to the
20 people.

21 Q. Right, thank you.

22 Finally, two other further techniques of
23 mitigation identified in Exhibit 333 were assistance
24 with the relocation of traplines, cabins, et cetera,
25 and the identification of fishing/hunting areas with

1 lower mercury levels, and possible provision of
2 financial and other assistance to improve access to
3 these areas.

4 Isn't Ontario Hydro just again suggesting
5 to communities that have long used these traditional
6 hunting and fishing areas that they should simply pack
7 up and go away?

8 MR. McCORMICK: A. I think it is
9 generally recognized that the homelands of Aboriginal
10 peoples as an example would cover a large area and that
11 other options may be available to them.

12 We have also indicated that if indeed it
13 was a very significant area, which can only be
14 determined at a site-specific level, that might be a
15 factor in not proceeding with a project.

16 So again, we are just exploring a number
17 of alternatives that should be looked at legitimately
18 before one reaches any conclusions about the
19 acceptability of a project.

20 Q. I accept that. But does Ontario
21 Hydro still consider this to be an acceptable
22 technique?

23 A. If it's done in cooperation with the
24 peoples affected, yes.

25 Q. Only if it's done with cooperation?

1 A. If you read the text again you will
2 see that it is prefaced by that comment.

3 Q. That's great. Thank you.

4 With respect to all the mitigation
5 techniques that have been discussed here over the last
6 few minutes and by previous intervenors, only one type,
7 the removal of or bearing of organic materials, holds
8 out the prospect of reducing the amount of
9 methylmercury produced in new reservoirs; correct?

10 MR. HARRIS: A. I think there is several
11 mitigative options that have been and are under
12 consideration, some of which have been discussed before
13 such as selective fishing, it doesn't reduce the
14 loading of the mercury but it does reduce the fish
15 mercury concentrations, and other approaches such as
16 selenium which was mentioned by another of the
17 intervenors was discussed briefly, although we have
18 said that we don't have a preference for that option at
19 the moment.

20 So I think reservoir clearing is -- and
21 reservoir preparation is the one that we are looking at
22 most seriously right now, but there are others.

23 Q. You have already confirmed that that
24 type of mitigation, reservoir preparation, is still
25 unproven in fact; correct?

1 A. Which type?

2 Q. The removal of organic materials or
3 the bearing of organic materials in one way or another?

4 A. It's unproven at full scale, yes.

5 Q. Thank you.

6 If it turns out - and we don't really
7 know yet - if it turns out that that technique is not
8 successful, essentially are you not left with the
9 mitigation techniques that we have discussed today?

10 A. If that technique was not successful,
11 we would look at the other options, some of which I
12 have just mentioned.

13 Q. That is fine, that's what I am
14 asking. Thank you.

15 Wouldn't you agree with me that the more
16 new hydraulic reservoirs that are placed on a single
17 river, the greater the concentration of methylmercury
18 will be as the water moves from the source to the mouth
19 of the river, each reservoir adding more and more
20 mercury; would you accept that?

21 A. I don't think it is necessarily true
22 but I would accept that it is certainly a possibility.

23 Q. Well, my question asked if there were
24 more new hydraulic reservoirs, would you not accept
25 that that is one area that we pretty certain about,

1 isn't it, that if you have a hydraulic reservoir it
2 will create mercury?

3 A. I am saying that if you had a series
4 of hydroelectric projects in a series, you may
5 experience downstream transport and increasing mercury
6 concentrations in the system downstream and you may
7 not. I acknowledge that it is a possibility and that
8 downstream transport can occur.

9 Q. Thank you.

10 Would you also not agree - this is my
11 final question on mercury - that a river with a high
12 pre-existing concentration of methylmercury should be
13 subjected to hydraulic development only after very
14 intensive scrutiny and that that scrutiny should
15 include a cumulative effects study?

16 A. I would agree that in cases involving
17 a series projects, that a cumulative approach is
18 warranted, and that's, for example, what we were
19 suggesting in the Moose River Basin.

20 Q. Thank you.

21 I would now like to ask a few questions
22 about flow, and I would refer everybody to tab 13,
23 which is page 3 and 4 from Exhibit 333. If I could
24 direct everybody's attention to the final paragraph on
25 that page, I would just like to read that into the

1 record.

2 "Ontario Hydro manages water levels
3 and flows at its existing hydroelectric
4 generating stations to minimize
5 environmental effects and other concerns.
6 For example, hydroelectric reservoirs are
7 typically drawn down prior to spring
8 freshet to capture some of the spring
9 flow and reduce the intensity of run-off
10 flows downstream, thus reducing flooding.
11 Hence, for peaking and intermediate load
12 stations, seasonal variations in flows
13 and downstream water level fluctuations
14 are moderated, however daily variations
15 may be increased."

16 Mr. McCormick, are you the right person
17 to direct this question to?

18 MR. McCORMICK: A. I will try to answer
19 it.

20 Q. It is a very simple one. Would you
21 agree with that statement?

22 A. Yes, I do.

23 Q. Can I refer you now to tab 14, same
24 exhibit, another excerpt, page 9. And looking down, I
25 guess at the sixth paragraph, just a one-line

1 paragraph, it says:

2 "Many hydroelectric facilities are
3 also useful in managing flows, for
4 example moderating spring floods and
5 maintaining flows during low flow
6 periods."

7 Would you also agree with that statement,
8 Mr. McCormick?

9 A. Yes.

10 Q. Is it not true that the highest peak
11 demands occur during the winter months and therefore
12 there is a need for greater power production at that
13 time of year?

14 MR. SNELSON: A. Yes, that is generally
15 true.

16 Q. Therefore, if the peak demand occurs
17 during winter, would not Ontario Hydro have a pressing
18 need to increase flow through generating facilities
19 during this annual peak period when river flow is
20 generally low?

21 A. I think Mr. Wigle, in his direct
22 evidence, talked about the way in which the annual
23 storages are managed to provide a reasonable match
24 between water flows and power system requirements.

25 Q. Okay. In order to increase flow with

1 minimal run-of-the-river flow, doesn't Hydro have to
2 draw down on reservoir capacity prior to the spring
3 freshet to meet that demand? In other words, isn't it
4 already low?

5 MR. WIGLE: A. We empty the reservoirs
6 before the spring freshet, that's correct.

7 Q. Isn't drawdown as much a function of
8 demand as your stated concern about moderating spring
9 flood?

10 A. Yes, that's one -- that's the
11 motivation. This is a cycle, we draw down, use the
12 water during the winter and in preparation for the
13 spring freshet we fill up the reservoirs after.

14 Q. Okay. In actual fact, isn't it true
15 that spring freshet is a natural process that can
16 rejuvenate the river system?

17 A. It is a natural process, yes.

18 Q. You would not agree that it
19 rejuvenates the river basin system?

20 A. I am not sure what you mean by
21 "rejuvenate".

22 Q. Well, I guess I should say, it has
23 some positive benefits.

24 MR. MCCORMICK: A. I think that's
25 generally true.

1 Q. Thank you.

2 For example, isn't it true that spring
3 freshet tends to move out or wash out silty deposits
4 that have been produced by natural low flows?

5 A. It can do.

6 Q. And doesn't the spring freshet also
7 eliminate or minimize stratification of the river water
8 that occurs over winter months?

9 A. Stratification which tends to occur
10 in reservoirs or in deep pools happens as result of
11 overturn. In the spring water temperatures become
12 uniform through density gradients. It's not
13 necessarily a function of increased flow. It's through
14 spring and fall overturn.

15 Q. Is it not true that spring freshet
16 plays a role in stopping that stratification in the
17 river system as a whole?

18 A. We agree that it can be a factor.

19 Q. And doesn't this maximize oxygen in
20 the water which has certain benefits, one of which
21 would be that organic material from the previous growth
22 season would deteriorate more rapidly?

23 A. This is very much site-specific.

24 Let me comment on your general point
25 here. You are suggesting that freshet for some reason

1 ceases to occur, and that is not the case. In the
2 spring stations, even peaking stations, will operate 24
3 hours a day, there will be some storage and reduction
4 of the peak flow. But in fact, the flows are more
5 significant in the spring with or without the station.

6 Q. Well, I was just, from the earlier
7 references I had given to you, had the impression that
8 in fact hydraulic facilities, one of the benefits was
9 that it would be used to manage flows.

10 A. That's correct. But you are
11 suggesting a level of change that I don't think occurs.

12 Q. Okay. We will leave that for now.

13 Given a choice between natural seasonal
14 variations and daily variations, is it not true that
15 daily variations cause more harmful effects to a river
16 environment and its users?

17 A. I think there is a potential for
18 effects of daily variations if one doesn't apply
19 appropriate mitigation techniques.

20 Q. Daily water levels of Ontario Hydro's
21 hydraulic facilities, am I right in saying they
22 fluctuate between a few centimetres to a few metres?

23 A. What are you talking about?

24 Q. The daily water levels in a river.

25 A. Downstream of the station, depending

1 on the general characteristics of the river, it can
2 vary over a wide range.

3 Q. Isn't it also true that daily
4 variations are more dangerous to people and wildlife
5 that are not aware of any sudden change or increase in
6 flow? Is that more of a danger?

7 A. Again, depending on the site and the
8 mitigation that's applied.

9 Q. So it may.

10 Given that most aquatic species are
11 adapted to certain riverine environments, would not
12 such sudden hourly changes put increased stress on
13 aquatic species?

14 A. Again, there is a potential without
15 the proper mitigation.

16 Q. Thank you.

17 I refer again to tab 14, paragraph 3.

18 Again this is page 9 of Exhibit 333. It says:

19 "Water level fluctuations have the
20 potential to cause environmental effects.
21 Upstream erosion and sedimentation rates
22 may increase and water quality could be
23 affected, (eg., increased turbidity and
24 suspended solids). Downstream erosion,
25 sedimentation, water turbidity and

1 amounts of suspended solids depend on
2 shoreline characteristics and protection
3 as well as sediment deposition that may
4 have taken place in the reservoir."

5 Would you agree with that statement, Mr.
6 McCormick?

7 A. These effects may occur depending on
8 the site under consideration and the mitigation
9 measures that are proposed to address those where they
10 are appropriate.

11 Q. I agree with you. It does say it has
12 a potential to do these things.

13 Would you agree that where you do have
14 increased turbidity and suspended solids, that this
15 will have an effect on the amount of light that
16 penetrates the water, thereby impacting on aquatic
17 plant growth?

18 [4:53 p.m.]

19 A. Well, if you don't do anything to
20 decrease the potential for the suspended solids and
21 turbidity increases such as erosion control, you may
22 have problems resulting from that, but I would think
23 you begin with that problem and do something about it.

24 Q. Okay. Is it not also true that
25 environmental stress on aquatic species can ripple up

1 the food chain and affect animals and even human beings
2 at the top of the chain?

3 Let me give you an example: If you have
4 large fluctuating water levels, they would have a
5 negative impact on aquatic plants if they are not
6 properly able to be mitigated as you have suggested.

7 And since moose and fish are highly
8 dependent upon aquatic plants, could not man eventually
9 be impacted by that if it weren't properly mitigated as
10 you suggest?

11 A. It if it weren't properly mitigated,
12 there is that potential.

13 Q. Okay. Can I ask you to look at tab
14 15? This is an interrogatory, 6.33.23. And in your
15 response to that interrogatory, you indicated that:

16 Fluctuation immediately downstream of
17 tailraces would be reduced the farther
18 one travels downstream from the
19 tailrace, correct?

20 A. Can you point me to the specific --

21 Q. Well, if you look on the -- it is
22 actually the second page, is where the answer is on
23 that tab, sorry, and it is an answer to the a) part of
24 the question. I could read it into the record, but
25 perhaps you could just quickly review it.

1 A. As I recall, your question dealt with
2 whether fluctuations attenuate or are reduced as you
3 move downstream; I think that is generally true.

4 Q. Okay. If that is the case, then
5 isn't it true that the more hydraulic sites that are on
6 a river, the less opportunity there will be for
7 moderation of the fluctuation?

8 A. No. In my direct evidence, I talked
9 about the benefits of in-step operation which has the
10 effect with this particular issue of stabilizing water
11 levels. So a series of stations, peaking stations,
12 operating in-step can operate with stable water levels.

13 Q. But there would still be fluctuations
14 after a particular facility, would there not?

15 A. It would depend on the elevation of
16 the reservoir downstream from it and it would depend on
17 the characteristics of the tailrace area.

18 Q. Okay. So in some sites, you agree
19 that there is still fluctuation after the particular
20 facility?

21 A. With the case of the Mattagami
22 extensions where you have four stations operating
23 in-step, it was an issue only for the Kipling station
24 and measures were put forth to mitigate that effect.

25 Q. Okay. I will leave that. Perhaps I

1 can squeeze in a few questions about herbicide use.

2 Is it true that Ontario Hydro uses
3 herbicides to maintain its access roads, transmission
4 rights of ways and other areas in the vicinity of
5 hydraulic facilities?

6 A. I don't think anyone on this panel is
7 qualified to speak about herbicides. I think Panel 7
8 will have people better able to talk to you about that.
9 I do know that in the case of access roads it is not
10 generally the case, no.

11 Q. So there is not really anybody who
12 can deal with that issue at all? Okay. I will leave
13 that.

14 THE CHAIRMAN: So will Panel 7 be able to
15 deal with ...

16 MS. HARVIE: Well, I am not sure, Mr.
17 Chairman. It is not my understanding that there is
18 going to be anyone specifically on Panel 7 to deal with
19 herbicides, but I expect that there will be some
20 experts on natural and environmental impacts that will
21 be able to talk about right of way management in a very
22 general sense.

23 But I suppose if you had questions about
24 generally the management of the area around
25 hydroelectric stations, this would be the appropriate

1 panel to put those questions to.

2 MR. H. WATSON: Well, perhaps I will try
3 to ask. I have only got three or four questions.

4 THE CHAIRMAN: Just I don't lose sight of
5 it, as I scanned the issues in Panel 7, I do believe
6 there are some herbicide issues in Panel 7. So perhaps
7 you would want to consult with Mrs. Formusa about that
8 because it looks as if there may be some questions
9 raised about herbicides in Panel 7.

10 MS. HARVIE: Yes, we are aware that there
11 may be some questions raised and I will bring your
12 concerns to her attention.

13 THE CHAIRMAN: I am sorry, Mr. Watson, go
14 ahead.

15 MR. H. WATSON: Mr. Chairman, should I
16 just take a shot at them and see how I do? If I get
17 nowhere, I will get nowhere.

18 Q. Is there anybody that can answer this
19 question: Is there not a danger that herbicides, if
20 they are used, will accumulate in the environment?

21 Can you answer that, Mr. McCormick?

22 MR. MCCORMICK: A. I am not really
23 qualified to discuss this. As a chemical engineer in
24 my early days, I would guess that it is very much
25 dependent on the nature of the chemicals being used.

1 I will go back and indicate that in
2 general terms, I am aware that it has been used in the
3 past on transmission lines. You won't find reference
4 to it, for example, in the Mattagami extensions or the
5 Little Jackfish. It aids as a control in the general
6 vicinity of a generating station construction site to
7 control vegetation.

8 Q. Okay. Perhaps what I will do is,
9 because it is going to be obviously hard, you know, to
10 get an authoritative answer, is I will just simply
11 refer you to tab 16. And this is an excerpt from
12 Exhibit 25, Ontario Hydro's business plan for the
13 period 1991 to 2000 which was released in January of
14 this year, and this is at page 26 of that document.

15 And I would refer in the right column,
16 the second paragraph, and I will just read that into
17 the record and see if I can get you to comment on that
18 and then leave it.

19 "To better control toxic chemicals,
20 Hydro has voluntarily implemented a
21 minimum 35 per cent reduction in
22 herbicide use by 1993. This reduction
23 will be accomplished by eliminating
24 broadcast spraying of herbicides on
25 roadsides and near residential areas."

1 Now, my impression for that, and what I
2 really wanted to know with respect to roadsides, I am
3 assuming in light of the context that we are looking at
4 more built-up areas, more developed areas; am I right
5 in that?

6 MR. FLOOK: A. I think the context is
7 transmission lines along roadsides are in built-up
8 areas.

9 Q. Do you know that for a fact, Mr.
10 Flook, or is that an assumption?

11 A. That is my judgment.

12 Q. That is your guess?

13 A. Because we don't use them just along
14 roads. I don't know of any place that they are used
15 within Ontario Hydro, just along roads in isolation
16 from a transmission or distribution line that is
17 running alongside the road.

18 Q. Okay. So I might conclude from that,
19 for instance, that they would still be used near
20 transmission lines?

21 A. Transmission lines that are not near
22 roads or built-up areas.

23 Q. Or residential. I assumed that that
24 meant in built-up areas.

25 A. Built-up areas or on, I understand,

1 private properties or near water and there's a number
2 of other qualifications.

3 Q. What my concern is, of course, is
4 that these controls -- first of all, I think Hydro is
5 acknowledging that these chemicals are toxic by this
6 statement; wouldn't you agree?

7 A. I think they are acknowledging that
8 we should try to use less of them.

9 Q. Well, doesn't the wording actually
10 say to better control toxic --

11 A. I am sorry, that is outside of my
12 area.

13 Q. Well, I will just simply finish my
14 comment and that is, our concern, just to understand
15 why we are raising it, is that these chemicals will not
16 be reduced in their usage in an area, for instance, the
17 Moose River Basin, which is obviously not a residential
18 area, and so that is our concern, but I sense that I am
19 not going to be able to deal with this any further, so
20 I will leave it.

21 MR. TAYLOR: Mr. Chairman, the hour is
22 now five o'clock. We have completed that portion that
23 Mr. Watson wanted to refer to. I would estimate that
24 we are probably about halfway through the cross.

25 Would this be a suitable time to rise or

1 would you like to carry on?

2 THE CHAIRMAN: Well, we are all very
3 anxious to get this panel finished this week; isn't
4 that right, Ms. Harvie?

5 MS. HARVIE: Yes, we are, Mr. Chairman.

6 THE CHAIRMAN: And I guess that we have
7 all had a long day and I think maybe we should stop
8 now.

9 But I wonder, dare I suggest we start
10 earlier tomorrow morning? Would that be

11 DR. CONNELL: It is impossible. It is
12 tight.

13 THE CHAIRMAN: We won't do it then. It
14 is always wrong to change a routine, I think. We will
15 adjourn now until ten o'clock tomorrow morning.

16 THE REGISTRAR: This hearing will adjourn
17 until ten o'clock tomorrow morning.

18 ---Whereupon the hearing was adjourned at 5:04 p.m, to
19 be reconvened on Tuesday, the 17th day of December,
1991, at 10:00 a.m.

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E R R A T A
and
C H A N G E S

To: Volume 92

Date: Thursday, December 12th, 1991.

| <u>Page No.</u> | <u>Line No.</u> | <u>Discrepancy</u> |
|--|-----------------|---|
| 16240 | 3 | "Materials on Competing Water Use Interests, Aboriginal Concerns." s/r "Materials on Competing Water Use Interests, <u>Riparian</u> <u>Concerns.</u> " |
| (Also List of Exhibits, page (v), Exhibit 424) | | |
| 16295 | 17 | approximately a million s/r approximately <u>6 million</u> |
| 16313 | 2 | 2.64 million s/r 2.64 billion |

